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# ***Daily Report***

# **Latin America**

FBIS-LAT-91-064  
Wednesday  
3 April 1991

# Daily Report

## Latin America

FBIS-LAT-91-064

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3 April 1991

NOTICE TO READERS: An \* indicates material not disseminated in electronic form.

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## Cuba

### Amendments to Cease-Fire Resolution Submitted

FL0204153891 Havana Tele Rebelde Network  
in Spanish 1200 GMT 2 Apr 91

[Text] Cuba has submitted 30 amendments to a U.S. draft resolution for a final cease-fire in the Persian Gulf and the elimination of mass-destruction weapons in the entire Middle East. With the suggestions made at the UN Security Council, Cuba seeks to modify the U.S. draft, which was also sponsored by the UK and the Soviet Union, to reflect the events in the Gulf. It also tries to guarantee peace and security for all Middle East countries, especially through a peaceful resolution to conflicts and centers of tensions.

The Cuban amendments were presented to the group of seven nonaligned countries that are members of the UN Security Council which held informal consultations yesterday prior to the formal consultation of all members of the UN executive organ.

### 'Last' Special Tactical Contingent Leaves Congo

FL0204143691 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 2 Apr 91

[Text] The last contingent of the Cuban special tactical group, which was fulfilling an internationalist mission in the People's Republic of the Congo, was bid farewell today. Our special correspondent Dalia Reyes Perera reports from that country.

[Begin Reyes recording] Brigadier General Victor (Checolas) gave an overview of the history of this mission and noted how relations between the two peoples have strengthened during these 14 years. He recalled that our internationalist aid to the Congo ends victoriously, with the agreement of the two countries' governments, because the current conditions make it possible.

For his part, (Colonel Emmanuel Elenga), inspector general of the National People's Army, said Cuba and its best sons have always provided support to the Congolese people. He conveyed the appreciation of his government for the presence and support of the special tactical group deployed in the Pointe-Noire area. He added that there is a great charge of emotion between the members of the two armies who shared these years. Finally, he wished the Cubans a happy return to their fatherland.

Brigadier Generals Victor (Checolas), Roberto Viera Estrada, and Sylvio Planas Garcia were decorated with the Military Valor Cross Order during the ceremony. They fulfilled their internationalist mission some time ago and in an outstanding way in this brother country. The decoration was conferred on a special manner. It was signed by President Denis Sassou-Nguesso.

A primary school was inaugurated later. It is symbol of the friendship between Cuba and the Congo. The school

has room for 200 students. It was built by Cuban internationalists during volunteer work hours.

Dalia Reyes, reporting from Pointe-Noire, in the People's Republic of the Congo. [end recording]

### Troops, Equipment Return by Ship From Angola

FL0304025591 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 3 Apr 91

[Text] Cuban troops and weapons from the People's Republic of Angola have arrived at the port of Santiago de Cuba in a state of full combat readiness. The Cuban ship Antonio Guterres arrived at the (Villamoncada) Port of Santiago de Cuba with equipment and weaponry that had been used to defend the People's Republic of Angola. Internationalists who had successfully completed their mission in that Africa country also arrived on the ship.

Division General Ramon Espinosa, chief of the Eastern Army and a hero of the Republic of Cuba, welcomed the combatants. The efforts of our troops on Angolan soil have made it possible for this equipment to return at full combat readiness, which allows us to use it immediately in regular units and to raise the level of defense for the Cuban people.

### Minsap Issues Stricter Rules for Prescriptions

FL0204152291 Havana Tele Rebelde Network  
in Spanish 1200 GMT 2 Apr 91

[Text] Beginning today, new special rules from the Ministry of Public Health [Minsap] come into effect for prescriptions and medication. These special rules are to guarantee the establishment of a scientific method for the use of these medicines. This means stricter controls will be applied, prescriptions will be numbered and will require a seal, and the registered signature of a doctor or stomatologist. The Minsap communique points out that the control-card method will be expanded for the sales of larger amounts of medications. Medical prescriptions will be valid for a 30-day period. Specific amounts of medicine will be distributed to special pharmacies and hospitals, and some medication will be for over the counter sales. This regulation guarantees that patients will be able to receive the medications they really need, and that the only ones able to issue prescriptions will be properly authorized medical personnel.

### Chernobyl Children Continue To Receive Treatment

FL0204182291 Havana Tele Rebelde Network  
in Spanish 1200 GMT 2 Apr 91

[Text] Some 4,083 children have been treated in Cuba since the first children affected by the Chernobyl accident arrived. The first group came here last year in March. They, and children who came in subsequent trips, have stayed in various health installations as well as the Jose Marti Pioneer's City. Studies of the children show that 50 percent of them have thyroid enlargements.

There are 1,200 little ones in Tarara City at this time. They also receive treatment for loss of skin pigment, baldness, and psoriasis at this pioneer installation.

**Attorney General, Auditors View Economic Crime**  
*FL0304031591 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 3 Apr 91*

[Report by Maribel Puerto]

[Text] The Office of the Attorney General of the Republic called a meeting with central state organization auditors and inspectors to exchange opinions on the work being done by all of them over the past five months to detect economic crimes in Havana. They analyzed the things that cause criminal actions as well as the most appropriate methods and work styles to confront the diversion and appropriation of goods within state entities.

At the meeting, the Office of the Attorney General reported that in the 26 inspections made at various entities, losses of more than 7 million pesos were detected, with notable losses during the production process. Among the causes were missing inventories of raw materials or finished products which were concealed in cost estimates, outright waste, and inaccurate input justifications.

[Begin recording] [First unidentified speaker] There are administrators who do not know about a payment [words indistinct] 40 pesos, 60 pesos [words indistinct]. We have to pay attention to this, comrades. How can you take out 60 pesos for your salary every month, through [words indistinct]. For me, this is immoral. This cannot be accepted. [Words indistinct] but I could not continue to be an administrator.

[Second unidentified speaker] It is essential, it is necessary for measures [words indistinct]. The people demand this, and the people expect this. It is an imperious need that measures be taken against whomever it is necessary to take them. [end recording]

In his conclusions, Attorney General of the Republic Ramon de la Cruz said that the fight against crime is not a one-day battle, and that the style used in Operation Cascabel should be maintained and become systematic considering the new experiences in production now being implemented across the country.

**Aldana Praises Workers in Villa Clara Province**  
*FL0204200791 Havana Tele Rebelde Network in Spanish 1800 GMT 2 Apr 91*

[Text] Carlos Aldana, secretary of the Central Committee of the Communist Party of Cuba, has completed a tour of Villa Clara Province. He visited important economic areas and relayed Castro's greetings to all workers in the province.

[Begin recording] [Unidentified reporter] At the conclusion of a three-day tour of Villa Clara Province, which

included visits to economic and social centers, Carlos Aldana, secretary of the Central Committee of the Communist Party of Cuba, spoke with reporters in Villa Clara.

[Aldana] I very much appreciate this chance to talk with you and to make contact with the citizens of Villa Clara. I wish to take this opportunity to greet them on Fidel's behalf. He follows the work being done in this province very closely. He speaks of the work being done in this province as if he had just been here yesterday. He refers to data, remembers the full names of comrades and inquires about their welfare because the work being done in this province is constantly on his mind.

The work being conducted here is a good example of the work being done across the country. There is great diversity in the economic and social endeavors of this province due to the characteristics of this area. This work is very fruitful and inspiring. [end recording]

**\* New Cattle Grazing Method, Fuel Saving Noted**  
*91CA0087B Havana GRANMA in Spanish 15 Feb 91 p 4*

[Article by Raisa Pages]

[Text] Llito, a cowboy, can finally go through the gate kept closed for so long: "Now I can put the cows into the field where the grass is best. I no longer have to put them to graze in any set order."

Ramon Torres (Llito), foreman of dairy 34, says this is the best dry season he has ever seen because he has not been forced to depend on his tractor and haul fodder from the silo to feed his herd.

"I do not have to use feeders and I do not have any skinny cows," he explains, "and I watch the cows gorge themselves on guinea grass. They had been there for only 35 days and the grass was already as high as if it were spring."

Dairy 34 on El Cangre livestock enterprise has been using the so-called "Voisin" rational grazing method since 16 November. Ten units are using the system and the results have left many ranchers gaping.

Precisely what does this technique involve?

"It is the art of knowing how to skip," Brazilian Professor Luis Carlos Pinheiro-Machado told me, referring to the skill cowboys must use in choosing the best fields based on random order.

"If you are in field four and you see that eight is ready, you have no reason to put the cows in five, in 'Indian file,' which is what we used to do against our will," says Llito, who was directly advised by Pinheiro. He has become an irreplaceable advisor for cattle raising in order to revitalize the Voisin ideas.

Nelson Montiel, director of El Cangre enterprise, summarizes what they have done:

"They subdivide the fields. In the case of a dairy with 120 cows, they measure 0.4 hectare. Llito's dairy has 164 and the cows are never short of grass. This type of grazing makes it possible to allow the grass to recover during the dry season.

"Animals are organized into three groups: cows at peak production, average milkers and heifers, and dry cows. Every group goes through a field so that every hectare can maintain between 200 and 400 animals."

With such a high concentration, no animal can be choosy and they eat whatever they find, totally clearing the field, and grass turns green again because it no longer has competition from weeds and because of the large amount of manure and urine left behind. This has a beneficial effect on the land because every cow leaves an estimated 25 kg of manure. In other words, 200 animals leave some 300 tons of manure per caballeria [42 hectares], the equivalent of 70 kg of nitrogen/hectare.

On El Cangre, 10 units are already using rational grazing and this year that number will increase to 50. They will not stop until the entire enterprise is completed this coming year, but they need electric fencing.

One can thus begin to calculate the savings: It takes some 3,000 liters of fuel a day during the dry season to haul feed. If silage and fodder no longer have to be hauled to the units, that amount of fuel will be saved for six months.

#### Water

El Cangre is still missing an essential element in the new grazing system: water in the fields. The problem will be solved in the weeks ahead. In the meantime, more watering facilities are being provided in the barns.

"We have no more thirsty cows. The old method of watering troughs presented a problem: some animals never got enough to drink because the more aggressive cows forced the others out of the way and would not let them drink. Now we put out more troughs and even have water in feed troughs because they are no longer used for fodder and silage. They are not necessary because there is plenty of grass," Montiel says.

"The amount of water they drink is incredible," exclaim Alfredo Gil and Ana Celia Alvarez on dairy 83, where the watering capacity has been doubled. Every animal drinks from 70 to 90 liters of water a day, and it is assumed that a cow that consumes enough water can increase production by as much as two liters."

#### Calling Cows

Llito no longer has to shout so much when he goes after the cows for milking.

"I just yell twice and they all come in from the field. None of them lag behind. Since they are 'full' and have full udders, they are anxious to be milked."

Shade is another key element in this type of grazing because the animals stay outdoors all day and the Cuban sun is hard on dairy cows. At El Cangre, 60 percent of the fences are live shrubs, and trees have even been planted in milking rooms.

Several ideas are on the drawing board for spring.

"Since there will be plenty of grass, part of the fields can be reserved for silage and hay or we can double the number of animals turned into the fields. We can also rehabilitate fields that need time to recover."

The change is obvious. A comparative analysis of Llito's dairy shows that production has risen by nearly two liters a cow and costs have dropped from 0.55 to 0.29.

Rational grazing is apparently not only the art of skipping, but also the art of conserving.

#### \* Alternative Veterinary Products Discussed

91CA0087A Havana GRANMA in Spanish  
2 Mar 91 p 2

[Article by Raisa Pages: "Widespread Use of Alternative Medicine in Animal Health"]

[Text] Sancti Spiritus—The challenges in animal health under the most difficult conditions of the special period led to the first Alternative Medicine Conference held here, a conference at which over 200 products made from medicinal plants and local raw materials were exhibited.

Most items presented were produced by the livestock enterprises themselves and provincial veterinary laboratories. Specialists and producers from throughout the country are attending this very necessary meeting in order to reduce livestock mortality.

For example, the San Cristobal livestock enterprise has already pulverized and processed 26 medicinal plants for various uses. It has successfully prepared two remedies for diarrhea from guava leaves bound with lentiscus and achieved a 100-percent cure rate in calves.

Camaguey has done exhaustive work preparing bioproducts from bovine blood and slaughterhouse byproducts which, when reconstituted, contain a high percentage of proteins and calories.

These products will soon be mass-produced. Vaccines have also been made from substances taken from animal viscera, along with a trivalent to protect against the clinical picture formed by the hemophilus, streptococcus, and pasteurella agents.

Camaguey livestock ranches have solved the problem of a shortage of syringes by using those made from unwanted materials by a Pino Tres polytechnical school.

They have also designed a machine to make different size acupuncture needles that can be used without electricity.

The Agramonte area has produced a livestock feed substitute called "multinutritional blocks" containing a mixture of saccharine, zeolite, honey, mineral salts, lime, and urea.

Using waste from the acetylene factory, veterinary medicine in Sancti Spiritus effectively destroyed the main breeding ground of the hepatic fasciola. It had previously been necessary to use copper sulfate, which is both imported and toxic. The province is now developing 40 other products from medicinal plants and local raw materials.

The wide range of Cuban flora is being exploited in numerous projects to use plants in the fight against parasites and diarrhea, as reconstituted products, and in viral remedies and antibiotics.

Acupuncture is gaining ground in the treatment of numerous conditions and several papers have been presented here demonstrating its enormous curative powers.

### Inter-Caribbean Affairs

#### Jamaican Central Bank Establishes Trading Fund

FL0204193091 Bridgetown CANA in English  
1912 GMT 2 Apr 91

[By Paget de Freitas]

[Text] Kingston, Jamaica, April 2, CANA—Jamaica's Central Bank was on Tuesday establishing a U.S. 5 million dollar "seed" fund to facilitate the island's participation in cross-border trading between the stock exchanges in Kingston, Port of Spain, and Bridgetown.

"We are establishing the account today and everything should be ready for trading tomorrow," said Fernando de Peralto, a deputy governor of the (Central) Bank of Jamaica who has headed a regional committee preparing for cross-border trading.

The Kingston, Bridgetown, and Port of Spain exchanges as well as the head of the Caribbean Community economics desk, Byron Blake, are expected to issue a joint statement later Tuesday announcing that the way is now clear for intra-regional trade in stocks and shares. Cross-border trading was originally to begin in January but was delayed to April 1 because of difficulties in agreeing on a clearing mechanisms.

At first it was agreed that central banks of Jamaica and Trinidad and Tobago, with the largest stock markets, would each put up U.S. 5 million dollars, to facilitate trading over an 18-month period. Barbados was to have

put up U.S. 1 million dollars. Settlement was to have been on a net basis between the three clearing houses operated by the exchanges.

However, Trinidad and Tobago pulled back from that arrangement, saying that its central bank would treat as a matter of priority applications for foreign trading settlements. Under the rules settlements are to be completed within five days of trading.

In Jamaica's case the issue was complicated by the decision late last year to liberalise the country's foreign exchange regime, removing a fixed exchange rate, and requiring most users of foreign exchange to tap commercial banks rather than the central bank. "If there was enough foreign exchange in the system there would be no need for this seed account," said De Peralto.

In essence, persons buying or selling in the Jamaican market will assume the foreign exchange risk very much as someone in London playing the New York or Tokyo market would. However, the "seed" fund will allow for timely settlements. It will also be continually replenished, explained De Peralto.

"Persons paying for shares outside Jamaica will have to pay to the clearing house the Jamaican dollar equivalent for the foreign exchange to be paid, whether at the spot or futures rate," said De Peralto.

"That foreign exchange will replenish the pool on a revolving basis allowing for Jamaica's continued participation in intra-regional trading," he added.

### Dominican Republic

#### Liberation Party Names Political Committee

FL0204190691 Santo Domingo Radio-Television  
Dominicana Radio Network in Spanish 1600 GMT  
2 Apr 91

[Text] Last night, the Dominican Liberation Party Central Committee chose the members of the Political Committee in a meeting that lasted less than an hour. Peruchio Jimenez, Leonel Fernandez, Temistocles Montas, Danilo Medina, Mildred Guzman, Jose Joaquin Bido Medina, and Euclides Gutierrez Felix were selected as members of the Political Committee during the meeting headed by top leader Professor Juan Bosch.

After the meeting, [Secretary General Lidio] Cadet reported that what they did was fill all the Political Committee positions. They had only chosen Bosch as president and Cadet as secretary general during the 14 March meeting. This entitles the two to be part of the Political Committee.

## Grenada

### Integration Urged To Counter Americas Initiative

FL0304020091 Bridgetown CANA in English  
2118 GMT 2 Apr 91

[Text] Toronto, April 2, CANA—Grenada's attorney general, Dr. Francis Alexis, in a plea for Caribbean unity, appealed to Grenadians in Canada on Monday night to support the regional integration movement.

"Things are getting harder. The best guarantee against a degenerate society is a strengthened and deepened integration," he told a gathering of Grenadians here.

He suggested that with their experience and vision, Grenadians abroad could provide a broad perspective on Caribbean regional integration. In the 1950's, the move for West Indies federation "was articulated more by Grenadians in London than by Grenadians at home," Dr. Alexis remarked.

He emphasized the need for an integrated approach in dealing with extra-regional initiatives such as the Enterprise of the Americas Initiative, the Western Hemisphere-wide free trade area proposed by United States President George Bush. If the Caribbean countries do not go into the Enterprise as one bloc, they are going "to be picked off one by one by the Enterprise," Dr. Alexis warned in his address at the Ontario Institute for Studies in Education.

"We in the Caribbean have got to...get together more tightly and more meaningfully than we have been in the past," he stressed.

In an interview after his address here, Dr. Alexis told CANA that there is "an absolute and urgent necessity" for the Caribbean as a whole to come together "to face the outside world in the context of trade and other relationships." He suggested that by doing so, the Caribbean can confront "outside forces," such as the Enterprise of the Americas, "if not on our own terms, at least on a footing on which we will be able to influence and shape those forces."

Grenada, Dominica, St. Vincent, and St. Lucia are working towards a political union. Other Caribbean countries are expected to join the group.

## Haiti

### ONA Asks Government To Prosecute 18 Debtors

FL0204214291 Port-au-Prince Radio Soleil  
Network in Creole 1200 GMT 2 Apr 91

[Excerpts] The ONA [National Office for Retirement Insurance] union met with the press yesterday, asking the government to prosecute 18 people who owe the ONA a total of 8,275,904.1 gourdes [\$1,655,180.82]. The union does not, however, want the ONA to be closed for restructuring.

[Begin unidentified reporter recording] The government must prosecute as soon as possible so that the 18 employees who were fired on 25 February can to pay the 8,275,904.1 gourdes they owe the ONA today. The social affairs minister must take proper measures against all those who are getting paid for doing nothing. This means profit must go to those who work for it and deserve it so that the wind of change can blow within the ONA. This is roughly what was discussed at the news conference which the ONA union held today on their premises.

The union asserted that there is a major boycott campaign against the insured persons, the employees, and the union. This boycott comes from three sectors:

1) The employers who never pay the state and who ask for the closing of ONA today;

2) A number of employers who make their employees pay for insurance, then never send these monies to the ONA;

3) A group of employees who, together with some former leaders, jointly ask for the closing of the ONA. [passage omitted]

In order to assist the government of the country and the Haitian people, the ONA has decided to switch to a higher gear, prosecuting all of ONA's debtors and mortgagees. If these debtors fail to quickly settle their accounts, the union will take the liberty of announcing their names on the radio. [passage omitted]

The union did take the opportunity to publish a list of 18 people who owe the state 8,275,904.1 gourdes. Among these people are General Manager Robert Simon, who owes the state 1,705,251.8 gourdes [\$341,050.36], personnel head Marie-Marthe L. Pierre-Louis, who owes the state 755,027.5 [\$151,005.5], and many other people who owe the state a great deal of money. The union also said that most of these people made loans under false pretenses. Therefore, they must do all they can to repay this money.

ONA General Manager Georges Robert told us in an interview that the juridical council will take proper measures to collect these funds. [end recording]

### Pogon Home 'Uprooted' Three Days After Arrest

FL0204230091 Port-au-Prince Radio Soleil  
Network in Creole 1200 GMT 1 Apr 91

[Excerpt] Three days after the arrest of Major Isidor Pogon, the people of Bon Repos completely uprooted his house despite the official search which had been carried out, the seals put on the door by the court, and the policeman on duty at the time.

The people came through the back of the house by breaking down a wall. After the uprooting, they were confronted by Mrs. Pogon, who had two people arrested: Monique Altidor, and someone called Ti Fre, who had been caught carrying chairs away from the scene.

After having the Delmas justice of the peace come to report damages, Mrs. Pognon accused the two arrested individuals of stealing \$6,400 from the house. [passage omitted]

## St. Vincent and the Grenadines

### Islands Introduce Common External Tariff

FL0204171091 Bridgetown CANA in English  
1650 GMT 2 Apr 91

[Text] Kingstown, St. Vincent, April 2, CANA—St. Vincent and the Grenadines Tuesday introduced the Caribbean Community [Caribbean Common Market] (Caricom) Common External Tariff (CET) which saw a new harmonised tariff system being applied by the Customs and Excise Department. However, only limited numbers of the tariff regulations are available and the department has had to make adjustments using the customs duties document, comptroller of customs Brenton Bailey said.

The Organisation of Eastern Caribbean States (OECS) Secretariat is expected to deliver the tariff regulations by weekend and they should be available to the business community soon after, Bailey said. He said some items such as cars attracted negligible rates of increase, while the increased rates on spirits were much higher and some items attracted no increases. He did not quote figures but said the net increases did not go beyond 5 per cent.

According to the customs boss, traders descended on the customs over the past week to have old entries cleared before the Tuesday deadline. He said additional staff had to be assigned to the long room but were unable to complete all the transactions.

Caricom governments had originally agreed to a January 1 implementation date for the CET whose primary objective is the protection of regional agricultural and industrial production.

## Trinidad and Tobago

### Government, Union Meet To Avert Dismissals

FL0304011091 Bridgetown CANA in English  
2135 GMT 2 Apr 91

[Text] Port of Spain, Trinidad, April 2, CANA—The Trinidad and Tobago Government on Tuesday held eleventh-hour meetings with the management of an iron

and steel company and trade unionists to avert the possible dismissal of more than 500 striking workers.

Government met with officials of the iron and steel company, Caribbean Ispat, which had given workers until today to return to work or face dismissal. The workers, now on a one-week old strike, are protesting the company's suspension of a colleague, unionist Keith Gibson, for alleged misconduct.

Ispat's human resources manager, Berardo Periera, told the Caribbean News Agency (CANA) prior to the meeting, that "anything can happen now." He said, "The situation remains the same. We wanted the workers to come in at seven o'clock in the morning to work. They had a gate meeting and none of the workers who are on strike reported to work." He added, "This is the final step."

### Trade Union Leaders Label Government Antilabor

FL0304143091 Bridgetown CANA in English  
1146 GMT 3 Apr 91

[Text] Port of Spain, Trinidad, April 3, CANA—Trade union leaders, angered by the postponement of talks planned with Labour Minister Albert Richards, have described the government as "anti-labour."

In a letter to Richards, made public to the media, the Joint Trade Union Movement [JTUM] said: "...We strongly suspect this latest development is yet another manifestation of your government's anti-labour position and its numerous attempts to divide and rule the labour movement."

The JTUM said it wanted to meet with the minister to discuss issues affecting public sector workers including the correct rates of pay and a Cost of Living Allowance (COLA). COLA, an increment paid to public sector workers based on the increase in the cost of living, was suspended in 1987.

The JTUM, which represents about a dozen trade unions, reported it also wanted to discuss the state of industrial relations in the country. The association said it was "shocked and disturbed" that Richards decided to cancel last week's meeting.

"One wonders whether this is your decision or a decision of your cabinet," the JTUM said. But a government source said Richards had to cancel the talks because of other pressing matters. Richards was said to have requested another meeting with the Joint Trade Union Movement.

**Fisheries Secretary on U.S. Lifting Tuna Embargo**

PA0204203391 Mexico City XHTV Television  
in Spanish 0200 GMT 2 Apr 91

[Passages within quotation marks are recorded]

[Text] Today Fisheries Secretary Maria de los Angeles Moreno discussed the tuna embargo that the United States has imposed against Mexico. Mrs. Moreno noted that Mexico is waiting for the U.S. authorities to lift the tuna embargo, an embargo they unilaterally imposed.

"We are hoping that reason will prevail and that these unilateral measures will no longer be adopted." At a news conference, she said that it is only up to the U.S. authorities to make a favorable decision with regard to Mexican tuna because, she added, Mexico has presented real evidence that it is taking care of and protecting marine species, especially tuna.

She said that the tuna catch dropped by 10,000 tons during the 1989-1990 season. It went from 148,000 to 138,000 tons. In addition, she reported that production costs went up. She further noted that it is expected that tariff and nontariff barriers will be eliminated with the trilateral treaty.

"We are also hoping that this will result in a decision not to apply unilateral measures, or nontariff barriers, which is the case in the boycott against Mexican tuna. It is also a fact that we are going to actively participate in the entire negotiating process."

Mrs. Moreno announced that a national program to make better use of tuna and protect dolphins will be implemented in Mexico next week. This plan places Mexico at the top among countries that are implementing the principles of the international program to reduce the catching and incidental mortality of marine species in commercial fishing.

"For 1991, the goals of this program contemplate an increase in coverage by observers accompanying the Mexican tuna fleet. Such coverage would be increased to 75 percent this year and to 100 percent in 1992. In addition, the program is intended to reduce the incidental mortality rate of dolphins by 60 percent over the next five years." Mrs. Moreno said that this means that, by 1995, the incidental mortality rate will be dropped to less than 0.1 percent of the total dolphin population in the eastern Pacific region, a population that amounts to 10 to 12 million dolphins. The program, she indicated, will be financed through a trust fund with resources that are mostly from the fishing sector. She said that one of the objectives of the program—which will be published in the nation's official gazette—is to establish limits for the incidental mortality rate of tuna, limits that must be observed by the Mexican fleet.

Mrs. Moreno said that a lack of compliance with incidental mortality limits will result in punishment that will range from a ban on the capture of dolphins to the suspension of fishing licenses. She reported that the

equipment used to rescue dolphins will be checked every six months. Mrs. Moreno disclosed that the program also calls for the development of new technology.

**Spain Grants \$1.5 Billion in Low Interest Credit**

PA3103222291 Mexico City NOTIMEX in Spanish  
1606 GMT 27 Mar 91

[Text] Mexico City, 27 Mar (NOTIMEX)—Spain granted Mexico a \$1.5-billion line of credit in 1990 known as the "King's Line," which, according to what Banco de Sabadell Representative Fernando Revilla said today in Mexico City, will probably begin in April.

The "King's Line" is one of the largest lines of credit granted to Mexico during the administration of President Carlos Salinas de Gortari and will be used to finance the export of Spanish goods and services. The line of credit is part of an overall program that will ultimately bring to Mexico a \$4-billion line of credit and joint ventures with Spain during the 1990-94 timeframe. This program was agreed upon during the visit to Mexico of Spanish King Juan Carlos in early 1990.

Bank official Revilla said: "I believe that the credit line will be operating by mid-April," as there are "just a few small details" to be worked out between the Mexican and Spanish authorities. "We are waiting for the green light at the banks to proceed."

Revilla stated that the \$1.5 billion in credit will be divided into two large lines of credit, the first of which—the King's Line, as it is called—will be to finance small and medium-sized projects. This credit line, Revilla noted, will be for \$300 million, half of which (\$150 million) will come from the Fund for Development Aid (FAD). The other half will be credits purchased at rates applicable for the Organization for Economic Cooperation and Development (OCDE).

As this line of credit consists of FAD credits at a 1.5-percent interest rate and OCDE credits at an 8.3-percent interest rate, those who borrow from this line of credit will pay very low interest rates, according to Revilla. Revilla indicated that two-year to five-year loans will be charged a 5-percent interest rate, while those of five years to eight years will be charged a 5.5-percent interest rate.

It should be noted that these interest rates are considerably less than the rates that Mexico would be able to obtain in U.S. dollars on the international market, which, after a long and slow decline, are now at 10 percent. The loans granted from this line of credit will be for a minimum of \$100,000 and a maximum of \$15 million, and are intended for Mexican borrowers from public and private sectors, with preference for the latter, according to Revilla.

The bank official also emphasized that credit applications will be handled quickly by Mexican and Spanish

banks, and the Official Credit Institute (ICO) of Spain, therefore a subcommission will not have to evaluate them.

Revilla stated that the King's Line is valid until 1994 or until funds run out, but its \$300-million fund could be increased with funds from the second line of credit.

He added that the credit line will be handled in Mexico by Banamex [National Bank of Mexico], Bancomer [Bank of Commerce], and Serfin, S.A. [expansion unknown], which will operate as primary banks; and by Bancomext [National Foreign Trade Bank] and Nafinsa [National Finance Bank, Inc.], which will operate as second level banks.

The second aspect of the credit, he explained, will be a line of credit to finance big projects, and its amount will range from \$600 million to \$1.2 billion, depending on whether the other line is increased or not. Loans from this line will be destined for operations in excess of \$15 million and the terms and final conditions for each project will be studied individually (as opposed to credit from the King's Line, which is for two to eight years), Revilla said.

Apparently, it has been planned that varying proportions of FAD and OCDE credit will be used for each loan, though the total amount of this line will correspond to the respective type of credit. Thus, the FAD portion of the credit will be for a 30-year term, with a 10-year grace period, "therefore, a 20-year amortization and 1.5-percent interest rate in dollars." He added: The other

part will be based on the OCDE rate (currently 8.3 percent) and it might be amortized for up to 10 years and, eventually, a five-year grace period. Even though the OCDE rate is variable, it is frozen once the operation is formally initiated.

The official said that the credit from this line will be funneled into infrastructure projects, preferably public enterprises such as the Federal Commission for Electricity and Pemex [Mexican Petroleum], but the private sector might also be included.

Referring to the \$2.5 billion included in the 1990 plan to guarantee joint ventures, Fernando Revilla said that the funds might be used "once the \$1.5-billion credit line starts working."

"I believe that this will depend on whether the industry sector requests the credit or not, but I believe that the credit should be used according to the country's need for foreign investments," he said.

Likewise, the Banco de Sabadell official outlined the list of available Spanish financial aid and said that Spanish commercial banks have granted different lines of credit for export goods. He emphasized that these are short-term lines at market rates and are designated for the importing of Spanish consumer goods in general.

Revilla also said that credit lines at preferential OCDE rates have been in effect for years, adding that they are used to finance the purchase of Spanish equipment and machinery, with a term of up to five years.

## Costa Rica

### Two Bombs Hit Turkish Consulate in San Jose

TA0304123291 Ankara ANATOLIA in English  
0950 GMT 3 Apr 91

[Text] San Jose (A.A)—The Turkish Consulate in the Costa Rican capital was hit by two petrol bombs thrown from a vehicle on Tuesday night, it was reported Wednesday.

The consulate, which doubles as the residence of Turkish Consul Michael Adenauer, was damaged by the bombs which crashed through a second story window.

Adenauer, a German national, reportedly doused the flames with water and there were no injuries.

No group immediately claimed responsibility for the bombing.

### \* Majority Polled Skeptical About Economy

91CA0081A San Jose LA NACION in Spanish  
5 Feb 91 p 5

[Article by Carlos Cortes]

[Text] Regardless of their socioeconomic level, some 64 percent of the people of Costa Rica believe that our nation is worse off today than it was a year ago, as compared to 23 percent who say that things are the same and 9 percent who think they are better off.

However, with regard to personal situations, the Costa Rican citizens seem to be divided in their opinions. The belief that they are worse off now than in 1990 characterizes 38 percent of the people, but an identical percentage believe that things are the same, while 22.5 percent believe they are better off now.

This is what was revealed by a public opinion poll conducted by the Unimer enterprise at the request of the newspaper LA NACION. Its first conclusions about the images which have developed of the administration of Rafael Angel Calderon Fournier and the most popular politicians were published yesterday and the day before yesterday.

The poll was based on a questionnaire to which 1,202 Costa Rican citizens responded. They included both men and women in a sampling which is proportionally representative of the demographic and socioeconomic situation in the country.

The opinions concerning personal situations seem to have been dictated both by the educational levels of the individuals interviewed and their political affiliations.

For example, while 38 percent of the sampling as a whole believe their situation has deteriorated, 48 percent support the National Liberation Party (PLN). On the other hand, only 23.6 percent of the followers of the Social Christian Unity Party (PUSC) share that negative perception.

Education also seems to lead to differences, since the individuals who have reached the higher educational levels believe their situation to be adverse, while as the level of education rises, people say they are better off [as published].

While the differences related to the socioeconomic aspects are not statistically significant, it is interesting to note in connection with opinions about the country that negative perceptions are clearer among the upper and middle-upper classes (69.1 percent say things are worse), followed by the lower (64.9 percent) and middle-class (61.7 percent) groups.

As it is revealed by the Unimer survey, conducted between 5 and 19 January 1991, the glimpses of the future are filled with uncertainty and mistrust.

In answer to the question "Do you believe that within a year the country will be better off, the same, or worse than it is now?", 55 percent of those surveyed expressed a negative view, while 19 percent said "same" and 17 percent had a positive opinion.

This perception changes somewhat with another question, from a personal situation perspective. The idea that their personal situation will worsen in 1992 was shared by 52 percent of those questioned, as compared to 21 percent who foresee a better future and 20 percent who think things will remain the same.

In an apparent contradiction with the above, employment prospects seem to be more encouraging. Some 55 percent of those questioned agreed with the idea that currently it is possible to find work, while 42 percent indicated the contrary.

While employment expectations appeared to have no relation to the socioeconomic status of the individual interviewed, the differences were indeed considerable with respect to sex and area of residence. Men proved to be much more optimistic than women about future employment. Of the women, 53.9 percent said that no opportunities exist, while 38 percent of the men agreed with that view. Residents of the greater metropolitan area were also optimistic, unlike the negative perception of those living in the rest of the territory.

However, a broad majority—70 percent as compared to 30 percent—of those interviewed believe that unemployment will increase. This opinion is held mainly by those in the upper class, of whom 78 percent said they believe unemployment will increase, unlike the middle strata, in which only 66 percent of those questioned expressed that view.

Unemployment was also designated by the majority as the country's chief problem, followed by increases in the cost of living and crime. Most of the subjects which Costa Rican citizens see as problems are of an economic nature (see chart).

Although corruption is not seen as one of the most important problems, half of the participants in the poll

expressed the view that it will increase during Don Rafael Angel Calderon Fournier's administration, as compared to the preceding administration, that of Dr. Oscar Arias Sanchez, while 21 percent said it will remain the same and 20 percent said it will decrease.

Despite the fact that citizens' safety was one of the pillars of the Calderon Fournier administration's program, 90 percent of the sampling believed crime has increased in the past year.

This overwhelming majority opinion prevailed regardless of socioeconomic or geographic situation. These factors were indeed noticeable when it came to personal safety. While 82 percent said that "individuals are unsafe in the streets or at home," as compared to 16 percent who expressed the opposite view, residents in the greater metropolitan area feel much more threatened than those elsewhere in the territory.

It is also interesting to note that, as the Unimer study indicates, men feel greater confidence than women. A third of the women expressed the view that our nation lacks security at the present time.

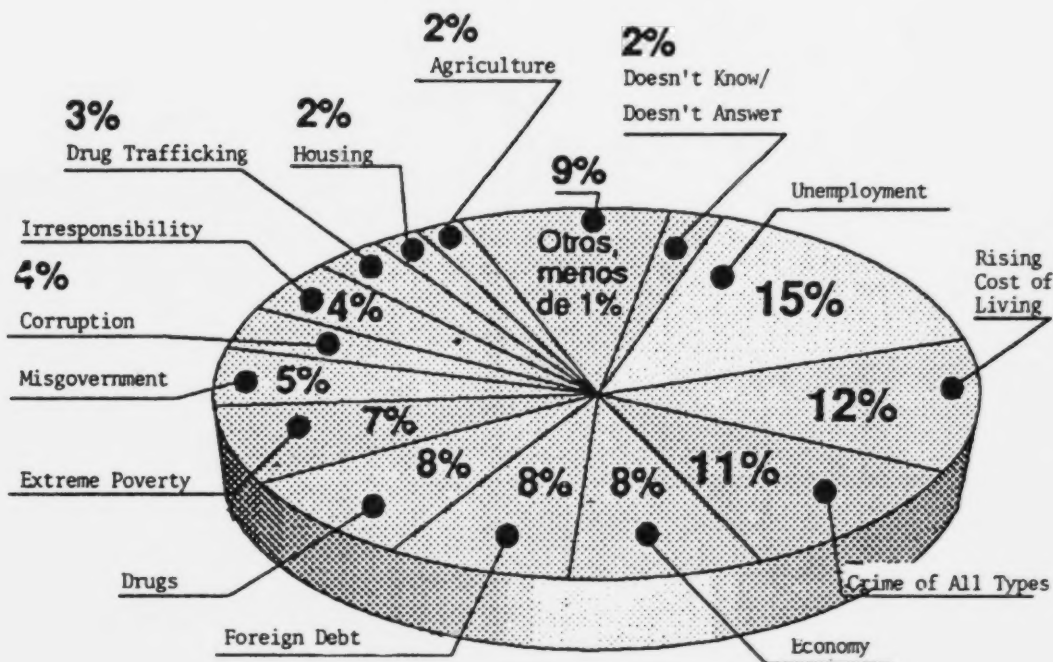
Also regardless of socioeconomic level, the majority of the Costa Ricans questioned (84 percent) expressed the view that "the cost of living has increased greatly in the past eight months," while 14.5 percent said it had increased "a little" and fewer than 1 percent said "not at all."

One factor which does affect opinion about the increase in prices is the person's political affiliation. The Unimer study reveals that 91 percent of the PLN followers believe that the cost of living has increased greatly, while only 72 percent of those who share the views of the PUSC expressed that view.

The political party of the person polled, as well as his socioeconomic level, also led to the view of 71.5 percent of the sampling that extreme poverty has increased. A larger percentage of the liberationists tended toward this perception.

Those in the upper class are more likely than those in other strata to believe that extreme poverty has increased (77 percent), while the lower classes believe, in a larger proportion, that the situation remains the same (17.3 percent). There is a greater tendency within the middle class than in the others to believe that poverty has decreased (14 percent).

What is the Country's Main Problem?



Source: National Public Opinion Poll, UNIMER, January 1991

El Salvador

FMLN Wants Government To Agree on Cease-Fire

PA0304133891 San Salvador DIARIO LATINO  
in Spanish 1 Apr 91 p 5

[Text] A guerrilla commander identified as "Raul Guerra" has said that the meeting which government and FMLN [Farabundo Marti National Liberation Front] delegations are scheduled to hold at the end of this week will be decisive in the adoption of political peace agreements through a cease-fire proposal.

Commander Guerra, of the FMLN's Anastasio Aquino Paracentral Front, said that whether the peace proposal presented by the guerrillas at San Jose VII will come to fruition depends on this new round of negotiations. The guerrilla proposal considers such issues as the Armed Forces, constitutional reforms, and a cease-fire.

In the guerrilla leader's opinion, the rebel proposal is viable because the government has been calling for an immediate cease-fire so that the talks can progress and a definitive peace can be achieved.

"We have made a logical proposal," said the guerrilla commander, commenting on the need to demilitarize the

country and to reform the Constitution, which has flaws that have been the cause of the 10-year conflict.

According to the rebel commander, this meeting will decide whether efforts to end the war through political means will be strengthened, or whether military efforts will continue on the national level.

According to Raul Guerra, the FMLN is willing to help achieve progress through political means but, he added, it is also willing to increase its military activities if the government does not adopt a more flexible position to end the war.

Raul, who was accompanied in northern San Miguel by the political-military directors of the Anastasio Aquino Front, said that the government does not have the resolve to make the peace proposal work, but added that the FMLN hopes that the United Nations will make the government delegation understand the need for a cease-fire agreement before 30 May.

Jesuit Leader Reviews Murder Case Investigation

PA0204184591 San Salvador Canal Doce Television  
in Spanish 0300 GMT 2 Apr 91

[Passages in quotation marks are recorded]

[Text] Father Jose Maria Tojeira, provincial head of the Jesuits in Central America said today that the Jesuit murder investigation has not been investigated in depth despite a written request from Defense Minister General Rene Emilio Ponce.

[Tojeira] "It is obvious that there is no resolve to investigate the case in depth. At the UN Human Rights meeting held in Geneva, it was said once again that there is a group of powerful officers who are preventing the case from being fully investigated."

Defense Minister Gen. Rene Emilio Ponce sent a letter on 22 February to the justice minister requesting that 12 officers be investigated, including Colonel Carlos Mauricio Guzman Aguilar. It is believed that he can shed additional light on the case.

According to Father Jose Maria Tojeira, nothing has been done so far, therefore, the letter served a different purpose.

[Tojeira] "It seems strange to me that the letter received no publicity here in El Salvador, however, it later was published in the THE WASHINGTON POST. One wonders if this is a cover up or whether money is being sought from abroad. Do we want justice or do we want to maneuver? I feel very pessimistic about the letter. I do not see the letter as something positive; I see it as a maneuvering tactic. I would like to see results from this letter, but, in any event, I do not consider it to be positive."

According to Father Jose Maria Tojeira, a powerful group within the Armed Forces is blocking the investigation and preventing the disclosure of the masterminds behind the massacre, regardless of the efforts being made to uncover them.

[Tojeira] "There is a group within the Armed Forces with a structure that I am unable to define, but in my mind, this group is independent from the Army's real power—practically a mafia—and it is hindering the investigation. This is a theory, but I cannot think of any other explanation."

In addition, Father Jose Maria Tojeira believes that the U.S. State Department has not provided the valuable documentation it has on the case.

[Tojeira] "I believe that the U.S. State Department has valuable documentation that could help unravel the murder case. They have information that they do not want to disclose, such the participation in the immediate investigation of Col. Milton Menjivar, who happened to be in command of the Military Group. I believe the State Department also has the names of informants in El Salvador and information that casts definite suspicion on some military leaders. I believe that the whole group refuses to discuss the matter because it would be a bit scandalous to release the information after such a long time. I am convinced that it was not on 20 December—as it is commonly said—when Lieutenant Colonel

Armando Aviles reported to Lieutenant Buckland that Lt. Col. Guillermo Alfredo Benavides was involved in the murder. I believe that the U.S. Embassy knew before that date that there were officers involved."

In conclusion, Father Jose Maria Tojeira confirmed that in the next few days former prosecutors (Sydney Blanco) and (Henry Cato) will represent the relatives of the priests, at their request, at the trial.

#### **MNR Names Secretary General To Replace Ungo**

*PA0304043691 San Salvador Radio Cadena YSU in Spanish 1730 GMT 2 Apr 91*

[Text] The National Revolutionary Movement, MNR, today announced the appointment of Rene Flores Aquino as its new acting secretary general.

The appointment of Flores Aquino took place 30 days after the demise of MNR leader Guillermo Ungo in Mexico City on 28 February.

The MNR issued a communique today marking Ungo's death. The communique states that the struggle of the MNR's top leader was not in vain because the party will hold some seats in the upcoming Legislative Assembly, as Ungo had wanted.

Gerardo Godoy was appointed deputy secretary general of the MNR.

### **Guatemala**

#### **Government Requests U.S. Aid To Fight Drugs**

*PA0204173091 Panama City ACAN in Spanish 1508 GMT 2 Apr 91*

[Text] Guatemala, 2 Apr (ACAN-EFE)—The Guatemalan Government today requested U.S. aid to fight drug trafficking after it admitted that the country had become a "laundromat for dollars" resulting from the sale and distribution of cocaine.

Government Minister Ricardo Mendez told the press that drug trafficking "is already a well-established fact in Guatemala, and the results of its operations can be seen and felt in all economic activities."

According to the government official, it is not unusual for drug shipments to transit Guatemala.

"The value of the drugs captured yesterday (969 kg of cocaine valued at \$13 million), together with all that has been confiscated over the past few months, would have paid our nation's foreign debt," which is \$280 billion, Mendez noted.

For Mendez, drug trafficking represents dirty money that remains in the country and creates fortunes—the origin of which is sinful and fraudulent—on a daily basis.

The minister claimed: "The United States is the country most affected because it is their people who are addicted to drugs, particularly youngsters 12 to 13 years old and older."

"Guatemala is a country with serious economic problems—this is no secret to anyone—but the problem concerns both nations," Mendez said.

He added: "We urgently need aid in the form of equipment, not money from them (the United States). We require adequate equipment to fight drug trafficking; we do not even have the minimum required for this activity. If the United States would give us a little more aid we would see more positive results."

With regard to the poppy plantations in this country—referring to the plant from which opium is extracted—Mendez admitted that the entire border area with Mexico is most suitable for this activity.

### Honduras

#### Investigations Slated for Links to Saddam Husayn

##### U.S. Treasury Report Cited

PA0204162791 Panama City ACAN in Spanish  
2315 GMT 1 Apr 91

[Text] Tegucigalpa, 1 Apr (ACAN-EFE)—The Honduran Government reported today that it will conduct an investigation into two locally registered companies to ascertain if they are linked to Iraqi President Saddam Husayn, as the U.S. Treasury Department has claimed.

Presidency Secretary Gilberto Goldstein said: "We hope to get to the bottom of the investigation quickly to see what is going on at these implicated companies."

An official report released today in Washington disclosed a list in which 52 companies and 37 people, worldwide, appear to have economic interests linked to the Saddam Husayn's regime. The Honduran companies Pandora Shipping S.A. and Trading and Maritime Investments are among them.

Goldstein stressed: "We know nothing about these companies, but an investigation has been ordered." Goldstein recalled that Honduras had agreed to respect the economic embargo issued by the United Nations against Iraq after its invasion of Kuwait on 2 August 1990.

The investigation carried out by the U.S. Treasury Department also included Iraq's Merchant Marine, in which several ships with Honduran registry and sailing under the Honduran flag appear. According to Goldstein, these ships will also be investigated.

Unconfirmed sources noted that at least two Iraqi ships were registered in Honduras to evade the sanctions decreed against Saddam Husayn's regime.

#### Ships' Registry Said Withdrawn

PA0304013591 Hamburg DPA in Spanish 2331 GMT  
2 Apr 91

[Text] Tegucigalpa, 2 Apr (DPA)—The Honduran Foreign Ministry has reported that the registry of ships, which sailed under this country's flag and were denounced by the United States as part of an international trafficking network for the benefit of Saddam Husayn, was canceled in October 1990.

This was the official Honduran reaction to the charges voiced by John Robson, U.S. under secretary of the Treasury, who said that nearly 100 firms and individuals contributed to violating the trade embargo ordered by the United Nations following Iraq's invasion of Kuwait in August 1990.

The U.S. Department of the Treasury said two Honduran companies, which own three ships sailing under the Honduran flag, were part of an international financial network of the government in Baghdad.

The Honduran Foreign Ministry said the three ships mentioned by the U.S. Government—the Sea Bank, Moon Lady, and Sky Sea, along with the vessel Blue Horizon—have had their registry withdrawn from the National Merchant Marine.

With the action mentioned above, Honduras denied that it had violated the trade embargo ordered by the United Nations against Iraq.

As for the companies that were involved, Gilberto Goldstein, private secretary of the Presidency, said an investigation of the case will be initiated.

#### Foreign Ministry Issues Report

PA0304121091 Tegucigalpa EL HERALDO in Spanish  
2 Apr 91 p 23

[Communique No. 024-91 issued by the Foreign Relations Secretariat in Tegucigalpa on 1 April]

[Text] The Foreign Relations Secretariat of the government of the Republic informs the national and international public: With respect to the news reports on Honduras' noncompliance with Resolution No. 661, approved by the UN Security Council, we hereby clarify that the Honduran state has nothing to do with two Iraqi merchant ships allegedly registered in Honduras.

We inform the general public that the registration of the ships Sea Bank, Moon Lady, Sky Sea, and Blue Horizon—which had been registered in Honduras—was withdrawn from the National Registry of the Honduran Merchant Marine on 11 October 1990.

Thus, these ships have not been connected with our country in any way since the date of the registration cancellations.

The cancellations were executed by the National Merchant Marine, by virtue of a resolution based on Chapter V, Article 14, Paragraph One of the National Merchant Marine Law.

Tegucigalpa, Central District Municipality  
1 April 1991

#### **Carias on FMLN Takeover of Border Customhouse**

*PA0204222891 Tegucigalpa Voz de Honduras Network in Spanish 1852 GMT 2 Apr 91*

[Excerpt] It has been reported that approximately 150 guerrillas from the Farabundo Marti National Liberation Front (FMLN) occupied the El Poy customhouse in the Honduran border region at noon today after nearly 12 hours of heavy fighting. According to telephone reports, the rebels used rifle fire and grenades to destroy part of the customhouse located in Salvadoran territory.

The rebel attack began at 0100 with the rebels seizing the building around noon, according to preliminary reports received from the El Poy border region.

We will have direct communications with that region shortly. In the meantime, Julio Armando Valdez has this report from the Presidency:

[Valdez] The foreign minister, who met with the president, made some statements afterwards regarding the rebel takeover of El Poy, which is on the border with our country. Francisco Valeriano interviewed the foreign minister, so we now go to him:

[Valeriano] Thank you very much, Valdez. The foreign minister indeed met with President Rafael Leonardo Callejas a short while ago, however, there is no precise or official version of the events in the El Poy area. The foreign minister insisted that there has not been any violation of our national sovereignty. He said this was one of the agreements—not to violate the national sovereignty—made with the Salvadoran guerrillas in a meeting held in Managua. Let us now listen to Foreign Minister Mario Carias Zapata:

[Begin recording] [Carias] At this time, I need a more detailed report from the Armed Forces. I was attending another kind of meeting. The report that the president has, which he conveyed to me, is what you already know. According to him, there was an attack on the Salvadoran side of the El Poy customhouse. As always in cases like this, our clear message is to hope that there is no infiltration inside Honduran territory. I should point out that I met in Managua with several delegates of the Salvadoran guerrillas, and I made this very clear to them because this is the government's policy.

At that time, the rebel representatives assured us that they had no intentions of meddling in the internal affairs of Honduras, nor were they willing to attack Honduran territory along the border region. Let us hope that this event has taken place inside El Salvador. At this point, I do not have up-to-date military intelligence information....

[Unidentified reporter, interrupting] Will Honduran troops participate [words indistinct] as happened last time in the [word indistinct] customhouse?

[Carias] No. I have not yet made contact with the Honduran Armed Forces General Staff to learn the normal precautions that are taken in these cases, however, our policy is not to intervene in these affairs.

[Reporter] Dr. Carias, are you going to get in touch with the Honduran ambassador in El Salvador to receive more details?

[Carias] Yes, of course. I already asked the Foreign Ministry to contact the ambassador and the Armed Forces General Staff so that we can receive more details in the next 30 to 60 minutes.

[Reporter] Do you officially know if any Salvadoran soldiers have taken refuge in Honduras?

[Carias] No. So far the reports indicate that the fighting took place on the Salvadoran side of the border and there is no damage or casualties on the Honduran side.

[Reporter] Has any violation of the national territory been reported?

[Carias] No, there has not been any reported violation of the territory. This is all the information that we have up to now.

[Reporter] Press reports indicate that Salvadoran troops may have entered Honduran territory. If this is the case, will the government present a protest to the Salvadoran Government?

[Carias] Yes, of course.

[Reporter] Do you have official information regarding the time of the attack?

[Carias] No, the reports from the border always take some time to get here. This is incredible, but the reports from the border take some time to arrive. I was at the Foreign Ministry until 1130 and had not yet received the reports. [passage omitted] [end recording]

### **Nicaragua**

#### **Godoy Denies Poor Relations With Government**

*PM0204143691 Madrid ABC in Spanish 17 Mar 91 p 45*

[Interview with Vice President Virgilio Godoy by Carlos Alberto Montanez in Managua; date not given]

[Excerpt] [passage omitted] [Montanez] Mr. Godoy, it is not well understood outside Nicaragua why you as vice president seem to be at odds with Mrs. Violeta Chamorro's government.

[Godoy] Your question is well put. Actually, it is not well understood abroad, because in fact I have no crisis of

relations with the president of the Republic, Mrs. Chamorro. There is, however, a substantial difference between my opinion, or my viewpoints, and those held by the minister of the Presidency, who is at the same time Violeta Chamorro's son-in-law. We differ in many respects about what should have been the policy of the UNO (National Opposition Union—the coalition which won the elections) if the UNO were governing our country. That is why the international press has often inferred that my rather cool relations with the minister of the Presidency reflect poor relations with the government, but, generally speaking, this is not true.

#### Ortega and Power

[Montaner] Just before the elections, Daniel Ortega stated that if he lost he would hand over the government, but he would not hand over power. Has something like this actually happened? Do you hold the government but not power?

[Ortega] That is precisely one of the differences which I maintain with the minister of the Presidency, because he has in fact made it possible for Ortega to keep a portion of power which is not in keeping with the results of the February 1990 elections. That is, I would say that they have even improved on the idea which they had that they would govern from below, because in fact the Sandinistas are governing from above, sharing power with Mr. Lacayo—Mrs. Chamorro's son-in-law and minister of the Presidency.

[Montaner] The Nicaraguan presidential term is long—seven years—and the erosion of the government's popularity seems to be increasing. Can Violeta Chamorro's government withstand such a protracted crisis? Are there alternatives to that very lengthy term?

[Godoy] I agree that this term has indeed been very special because of the duration entailed by the seven constitutional years plus nine months of former President Ortega's government. There is no doubt that this represents a potential for erosion which is difficult to predict but which is clearly occurring—and even faster than expected. Everything depends on how the economy reacts in 1991, although it is forecast that the crisis will be quite severe. On the other hand, if the economy begins to show some signs of revitalization, it is quite certain that this process of deterioration will be somewhat contained.

[Montaner] Do you agree with that?

[Godoy] No, of course not, but in Nicaragua there is a lengthy tradition of political agreements aimed at reducing or increasing terms, and we seem to be moving in that direction.

[Montaner] What about Daniel Ortega?

[Godoy] Daniel Ortega seems to be a figure on the wane, a figure who is failing to maintain his profile within the

country, and who is gradually being replaced as an emerging figure by his brother Humberto—the military man already mentioned.

[Montaner] Is the Army still helping the Salvadoran guerrillas?

[Godoy] The latest episode was the case of the surface-to-air missiles which downed several Salvadoran Army, and even U.S. Army aircraft; it led this very week to a large number of these missiles being returned to the Nicaraguan Government—some in Managua, at the Mexican Embassy in Managua, and others in the guerrilla zone of El Salvador.

[Montaner] Did Humberto Ortega have any connection with that?

[Godoy] I am certain that he could not have been unaware that such a sophisticated kind of military equipment could be used the way an ordinary firing unit [caja de tiros] is used.

[Montaner] What about the links between the Sandinistas and Cuba?

[Godoy] I believe that they remain, although at lower levels, but that obviously will not disappear overnight. In any event, there is not the slightest doubt that the Sandinistas are trying to create a different setup, a "lower profile," but without finally severing the ties between them.

#### Soviet Delegation Arrives in Managua 1 Apr

PA0204184491 Mexico City NOTIMEX in Spanish  
2355 GMT 1 Apr 91

[Text] Managua, 1 Apr (NOTIMEX)—A delegation of Soviet parliamentarians, led by Supreme Soviet Vice President Aleksandr Mokanu, arrived in Nicaragua today for an official two-day visit.

The parliamentarians will meet with President Violeta Chamorro and Nicaraguan Legislative Assembly President Alfredo Cesar.

Chamorro postponed an official visit to Moscow scheduled for February because of the Persian Gulf war, but her visit, during which she will discuss economic subjects, including the supply of Soviet crude oil to Nicaragua, has not been canceled.

Until April last year, when Chamorro assumed office as president, the Soviet Union had been supplying more than 60 percent of the 700,000 tons of crude oil that Nicaragua's economy requires each year.

The Soviet Union had also been supplying basic products, farm machinery, and vehicles through long-term loans, which Chamorro has pledged to renegotiate in hopes of reactivating the country's commercial credit standing.

The Soviet delegation, which arrived from Costa Rica, will also visit Guatemala as part of a tour through Central America, in an effort to resume relations with the countries of the region.

### Panama

#### Endara on Civic Crusade, Rumored Cabinet Change

PA0304011191 Panama City Circuito RPC Television in Spanish 1730 GMT 2 Apr 91

[Text] Panamanian President Guillermo Endara has said that if the purpose of the meeting, between the government coalition parties and the National Civic Crusade [CCN], is to alter the government's plans without consulting the executive branch, such a meeting is doomed to failure.

[Begin recording] [Endara] Despite the fact that each of us has personal interests, we know how to place the nation's highest interests ahead of personal interests. I believe that such spirit prevails throughout the government coalition. I believe we must maintain the criteria and remember that we are going there to smooth out our differences and to seek formulas that could prevent our differences from becoming public scandals. To avoid public scandals, differences must be discussed in cabinet meetings or in cabinet-level meetings. I believe that discussions should continue so that solutions can be found at cabinet meetings or meetings among the political parties. Such meetings among political parties and the political parties' coordination board at the National Assembly are sometimes held twice monthly and sometimes four times per month.

If that is the object of the meeting, it will be successful. The meeting is doomed to failure, however, if it attempts to draft an alternate government plan or to discuss topics that are in the government's sphere of competence. The point is that I will not allow outside forces to interfere with the work of the government.

[Unidentified reporter] It has been said that the political parties are not well represented at this meeting and that the parties' real leaders should be in attendance.

[Endara] You might remember that, for the past week, I have been saying that I have not been invited. No one has invited me. If I had been invited, I would not have cared at what level the.... [changes thought] I would have gone. Apparently only the secretary generals were invited. The CCN knows why it did this, and that is its own business.

[Reporter] Could there be a cabinet change?

[Endara] For the time being, I insist that the cabinet is excellent. I believe that there is no need to even think of changing it. [end recording]

#### Guillermo Ford on Coalition's Strength, Resolve

PA0204193691 Panama City EL SIGLO in Spanish 2 Apr 91 p 10

[Article by Aneldo Arosemena]

[Text] "Any minister who is incompetent will have to show integrity and resign," according to Second Vice President Guillermo Ford. The vice president called on the national government to talk less, work more, and end the conflict among the [ruling] political parties.

Ford made these statements yesterday upon departing the Palace of the Herons [presidential palace], where he stated that the alliance of ruling political parties must be consolidated so that it can be strengthened and its members may march toward a common goal. Ford also called on all political groups within the national government to unite. "I believe that all the talking is over. Now, an effort is being made to bring harmony among the various groups so that the country can benefit from a strong government and a closely united coalition," Ford said, referring to talks that began yesterday among the coalition parties, under the auspices of the Civic Crusade.

Concerning First Lady Ana Mae Diaz de Endara's public description of First Vice President Ricardo Arias Calderon as "crazy and arrogant," Ford said emphatically: "I think that this type of statement should be a thing of the past. I respect the statements of any official, particularly those of the first lady, but I do not think that is important. It is important to consolidate the alliance, to keep it strong, and to allow the Panamanian people to receive the benefits of a government with clear direction and a common goal, the goal that was set for us on 7 May."

Ford also said that Molirena [Nationalist Liberal Republican Movement], his party, is not seeking any particular political post. He also ruled out any changes in the cabinet at this time, because, he said, changing individuals does not consolidate anything; that is what the dictatorship used to do.

"What we have to do is be responsible. Any minister who is incompetent will have to show integrity and resign. The day that I am unable to do my job, I will leave," the vice president said in closing.

## Argentina

### Foreign Minister Leaves for Rio Group Meeting

PY0204144591 Buenos Aires NOTICIAS  
ARGENTINAS in Spanish 1120 GMT 2 Apr 91

[Text] Buenos Aires, 2 Apr (NA)—Foreign Minister Guido di Tella left last night for Bogota to attend a meeting of the Rio Group to discuss with his Latin American counterparts the subcontinent's relations with the United States and its insertion in the world.

The Rio Group is an organization made up of 11 Latin American countries through which efforts are made to reach common positions on various political, economic, and social issues.

Di Tella said that he will brief the other Latin American representatives on the Argentine position regarding human rights in Cuba and on the participation of Argentine naval ships with the multinational force in the war against Iraq in the Persian Gulf.

Argentina voted for a U.S. proposal calling a special UN commission to investigate alleged human right violations in Cuba. The proposal was not supported by the other Latin American countries.

In this regard Di Tella played down the possibility that the Rio Group will release a joint declaration but he indicated that the group will discuss the need for Cuba to take steps toward a multiparty system.

Di Tella said: "The idea is not to seek revenge or to humiliate Cuba but to have its government recognize that the world has changed and that it is necessary to seek pluralism."

In a conversation with the press before leaving for Bogota, Di Tella said that the Rio Group will evaluate the position it will present to the EEC in a meeting to be held on 26 April in Luxembourg.

He added that on this occasion the foreign ministers will also evaluate the relationship between the Rio Group and Latin American Integration Association (Aladi).

### Army Chief of Staff Commemorates War Anniversary

PY0204135091 Buenos Aires TELAM in Spanish  
1200 GMT 2 Apr 91

[Text] Buenos Aires, 2 Apr (TELAM)—Army Chief of Staff General Martin Bonnet has recalled that today marks the ninth anniversary of the war over the Malvinas. He noted that the battle had an adverse outcome but that it did not represent a defeat because we continue to be inspired by the same spirit that prompted us to take up arms to defend our territory.

Paying his respects to those who died on the battlefield, Bonnet said that they are an example of service, an inheritance that is enhanced by the glory they deservedly reached, and that they remain in our hearts resting in

unredeemed territory, setting the path that the Argentine Army must continue to follow.

Bonnet said this during a ceremony in the main hall of the Libertador building, the Army headquarters, which was attended by the Army high command. Bonnet's message was also read at all Army units in commemoration of the events of 2 April 1982.

### Decree Fixes Salary of Government Officials

PY0204162891 Buenos Aires NOTICIAS  
ARGENTINAS in Spanish 1552 GMT 1 Apr 91

[Text] Buenos Aires, 1 Apr (NA)—According to today's edition of the BOLETIN OFICIAL, President Carlos Menem will receive a basic monthly salary of 11 million australes [\$1,100 at the present fixed rate of 10,000 australes per dollar] as of 1 March. Vice President Eduardo Duhalde's monthly salary will be 9.9 million australes [\$990 per month].

The decree establishing the basic salaries of executive branch officials as of March is signed by President Carlos Menem and Economy Minister Domingo Cavallo.

The decree has 17 articles, including those that establish the monthly salaries of ministers at 9.2 million australes; secretaries of state at 8.2 million australes; and under secretaries at 7.1 million australes.

## Bolivia

### Vote on U.S. Military Advisers Postponed

PY0304034891 Madrid EFE in Spanish 0302 GMT  
3 Apr 91

[Text] La Paz, 2 Apr (EFE)—The Bolivian Government today conceded that there has been a "dangerous increase" in the production of cocaine in the country and an alarming increase in the price of coca leaves, which is the raw material for cocaine.

For several months Bolivian authorities have suspected that many clandestine cocaine laboratories had been moved from Colombia to Bolivia, the world's number two producer of coca leaves. Peru is the number one producer.

Bolivian Interior Minister Carlos Saavedra Bruno today reported to Congress that from December 1990 to March 1991, the price for a 50-kg package of coca leaves rose from 40 bolivianos (\$11.4) to 228 bolivianos (\$65.1); that is, a 470-percent increase.

Saavedra participated in a congressional debate aimed at authorizing the entry of 112 U.S. advisers, who will be charged with training two Army light infantry battalions in the anti-drug fight.

Speaking at the congressional session, which decided to postpone a vote on the entry of U.S. advisers until 3

April, Foreign Minister Carlos Iturralde reported that 12 percent of the Bolivian GDP "is generated by coca."

#### **Response Sent to Invitation To Join Mercosur**

*PY2903232091 Madrid EFE in Spanish 1738 GMT  
29 Mar 91*

[Text] La Paz, 29 Mar (EFE)—Bolivian President Jaime Paz Zamora said today that the creation of the Common Market of the South (Mercosur) bolsters "the long process" of Latin American economic integration "with renewed energy."

Mercosur was created on 26 March in Asuncion by Argentina, Brazil, Paraguay, and Uruguay. These countries have invited Bolivia to join the regional organization.

Local newspapers today published a letter sent by Paz Zamora to the four presidents of the Mercosur countries in which he states that he had received the invitation "with enthusiasm and encouragement." "I have asked the foreign minister of my country to implement the necessary measures to see that this very important objective is adequately fulfilled," Paz Zamora said in the letter.

Bolivia is a member of the Andean Pact with Colombia, Ecuador, Peru, and Venezuela, but this regional organization, which is more than 20 years old, has not achieved economic integration for its member countries.

Diplomatic observers in Bolivia think the government is more interested in strengthening its economic relations with Mercosur nations because the markets of these countries are more attractive than those of the Andean Pact.

Bolivian officials said this week that the Andean Pact and the Mercosur are not incompatible and that Bolivia could, should such conditions arise, be a member of both organizations.

#### **Foreign Minister Leaves for Rio Group Talks**

*PY0304031291 Madrid EFE in Spanish 1958 GMT  
2 Apr 91*

[Excerpt] La Paz, 2 Apr (EFE)—Bolivian Foreign Minister Carlos Iturralde left for Bogota today to attend a Rio Group meeting to be held there on 3 and 4 April. Prior to his departure, he said: "the Rio Group lines of action and strategy in its talks with the European Community (EC) will be discussed."

The Bogota meeting is preparatory to one the Rio Group foreign ministers will hold with their EC counterparts on 26 April in Luxembourg. [passage omitted]

#### **Opposition Claims Government Tapping Telephones**

*PY3103023691 Madrid EFE in Spanish 1528 GMT  
28 Mar 91*

[By Celia Matos]

[Text] La Paz, 28 Mar (EFE)—Bolivian opposition parties have reported that phone-tapping equipment allegedly from Spain is being used to listen to the telephone conversations of top political and labor union leaders of the country.

German Quiroga, secretary general of the Nationalist Revolutionary Movement (MNR), Bolivia's foremost opposition party, reported this information to EFE, adding that his party was planning to ask the Interior and Foreign Ministries about this equipment in the near future.

"We believe that a multiple cable has been strung from the telephone company to the Interior Ministry, where an automatic telephone-tapping system that operates 30 channels simultaneously has been set up," Quiroga said.

In December 1990 the Interior Ministry acknowledged that telephones had been tapped in the course of the investigation into the kidnapping of Bolivian industrialist Jorge Lonsdale, who died during a police operation to release him.

Radio Fides, whose director is the Spanish Jesuit priest Eduardo Perez Iribarne, reported in February that the Bolivian Interior Ministry had a "phone-tapping service" which listened to the telephones of "labor and political leaders of opposition and ruling parties alike."

Lawmakers who asked to remain anonymous told EFE that the telephone-tapping equipment had been donated by Spain and was being operated in the conference room of former Interior Under Secretary Raul Loayza. The sources stated that the equipment was allegedly set up by Rafael Masa, a colonel in the Spanish Civil Guard (rural police), who brought two specialists with him to train Bolivian Police officers.

Masa, who has been identified as the liaison point between the Bolivian and Spanish Interior Ministries, could not be questioned about the report because he was not in La Paz, according to people at his residence.

Pro-government parliamentarians acknowledged that the telephone of Deputy Gaston Encinas, one of the most rabid adversaries of former Interior Minister Guillermo Capobianco, was one of those that had been tapped. Encinas and Capobianco are both members of President Jaime Paz Zamora's Movement of the Revolutionary Left (MIR).

One of Encinas' assistants told EFE that the deputy had unsuccessfully protested to his party's executive secretariat over the "overt surveillance" to which he was being subjected because of his "harsh competition" with Capobianco, who left the Interior Ministry on 13 March following reports of alleged corruption.

Congressional sources indicated that, after Radio Fides aired its report, the equipment was dismantled and packed up on instructions from the then interior under secretary. It is not known whether it has been put in storage or is being used in another location.

One MNR congressman stated that the opposition wants the equipment returned to Spain or destroyed because its use is "contrary to human rights."

The Spanish Embassy in La Paz stated that "it has nothing at all to say" about the issue, and new Interior Minister Carlos Saavedra Bruno categorically denied the charges. "This is the most absurd accusation I have ever heard. It is in bad taste because an attempt is being made to create a false impression," Saavedra told EFE.

He added: "It is true that the Spanish Government is assisting the National Police and helping the Interior Ministry with its communications, but the idea is to improve security and information-gathering facilities to ease the minds of the citizenry."

**Government, COB Trade Charges Over Payments**  
PY3103020091

[Editorial Report] La Paz PRESENCIA in Spanish on 23 March carries on page 6 three 300-word reports on an exchange of accusations between government officials and leaders of the Bolivian Labor Federation (COB).

In the first report, COB leaders are quoted as charging that the government "is responsible" for an anonymous charge linking four COB leaders with money allegedly provided by the Nationalist Revolutionary Movement (MNR) to "finance the hunger strike and mobilizations."

Unidentified COB leaders are quoted as saying that "efforts are being made to create conditions to justify the state of siege and to unleash terrorism and repression against labor organizations."

COB leader Filemon Escobar, who was charged with receiving MNR money, is quoted as charging that "this campaign" was "masterminded" by the information minister. He also reportedly pointed out that "we have been accused of having received \$40,000 to finance the fall of the government. It would be the cheapest fall of a government in Bolivian history."

Leader Carlos Camargo is quoted as saying that the anonymous charge is "part of a government strategy" to link the COB mobilization with a "reduction of the presidential term."

In the second report, members of the parties making up the Coordinating Board of Opposition Parties are quoted as harshly "rejecting" the anonymous charge that the COB has received money to "finance mobilizations."

Leader Ernesto Machicado is quoted as charging that the government, which is "marked by corruption and inefficiency," is seeking to "silence" the opposition.

Communist leader Nunez del Prado reportedly says that the "Paz Zamora-Banzer-Gelbard" group "is using fascist methods against the labor movement."

In the third report, Information Minister Mario Rueda Pena is quoted as saying that the document that reported

the bribing of COB leaders by the MNR "is not a charge leveled by the government." The minister is then quoted as urging "COB leaders" to "explain how they finance the social mobilizations."

The minister is also quoted as saying that "this charge was not leveled by the government. It was reported to the media by a labor leader." The report then quotes the minister as expressing "the government's concern about the COB's great expenses" in financing "the labor mobilization."

**Accord Signed With Government Ends Hunger Strike**  
PY2903164091 La Paz Television Boliviana Network  
in Spanish 0200 GMT 29 Mar 91

[Agreement signed by Labor Minister Oscar Zamora Medinacelli, Interior Minister Carlos Saavedra Bruno, and Bolivian Labor Federation leader Victor Arias Lopez at government palace in La Paz on 28 March]

[Text] 1. Salaries: Action will be taken to comply with Executive Decree No. 22709. If a salary agreement cannot be reached in the private sector, the government will apply the mechanisms established by the General Labor Law to determine these increases, and the Labor Ministry will be charged with implementing these decisions.

2. Education: Fifty bolivianos will be added to the institutionalized 300-boliviano bonus granted to all public education personnel, including retired teachers. An advance of 150 bolivianos on this bonus will be paid immediately. The balance of 200 bolivianos will be paid on 5 June. The teachers hereby reaffirm their right to have the government guarantee the purchasing power of this bonus in the future. A national education congress will be held in October to discuss the scope of the educational reform, and all sectors affected will democratically participate: government, teachers, parents, workers, and the people at large.

3. Mining cooperatives: The government promises to negotiate with the Mining Bank the rescheduling, on terms favorable to mining cooperative members, of their debt in arrears. The government hereby states its commitment to maintain the current tax rate [tasa impositiva] for mining cooperative members.

4. Peasants: The government pledges to take steps for the approval of a decree concerning the operation of Conadal [National Committee for Alternative Development], to implement the Pidys [Coca Crop Substitution and Development Plan], and to install peasant members of the National Agrarian Reform Council and the peasant representative to the Agricultural Bank. The government pledges to study alternate solutions for the small peasant borrower.

5. Unions: The government will submit to Congress a bill to convert into law the tax amnesty granted under Executive Decree No. 22555.

6. General topics: It is hereby noted that several points included in the government-Bolivian Labor Federation [COB] agreement signed last year have been complied with. The COB will request compliance with those topics that have not yet been implemented. Discussions of pending points on the COB list of demands will continue at the same level.

7. Final agreement: The national government will faithfully comply with the above points. For its part, the COB will discontinue, effective today, the nationwide hunger strike as well as all other similar measures, thus contributing to fully restoring normal activities in the country.

**Cooperation Agreement Signed With Germany**  
*LD0204223591 Hamburg DPA in German 1945 GMT  
2 Apr 91*

[Text] La Paz (DPA)—The Federal Republic has signed a cooperation agreement with Bolivia worth over 116.4 million marks for infrastructure measures and for support to the social security system and the private economy of the South American country.

The agreement, signed today in the capital, La Paz, by State President Jaime Paz Zamora, and German Ambassador Hermann von Saumweber, provides for the construction of water mains for the city of El Alto, the fourth largest city in Bolivia with 400,000 inhabitants, and for support for social institutions.

**Joint Chamber of Commerce, Investment Inaugurated**  
*PY0304010291 Madrid EFE in English 1811 GMT  
2 Apr 91*

[Text] La Paz, April 2 (EFE)—Bolivian and Mexican businessmen moved Tuesday [2 April] to boost bilateral trade by setting up a Bolivian-Mexican Chamber of Commerce and Investment. Bolivian Trade and Industry Minister Guido Cespedes and the Mexican ambassador in La Paz, Enrique Fernandez Zapata, met Tuesday for the formal signing of the new institution's statutes.

The inauguration of the Chamber of Commerce fulfills one of the accords the two countries agreed on last October when Mexican President Carlos Salinas de Gortari visited Bolivia to meet his counterpart, Jaime Paz Zamora. On that occasion, the two leaders also opened two lines of credit from the Banco Central de Mexico for a total of dfls 40 million to boost bilateral trade.

According to officials, the first Bolivian export to benefit under the new trade agreements will be a shipment of "singani", or pisco, a typical Andean alcoholic drink, which is to be shipped to Mexico from Bolivia.

**First Quarter Inflation Rate for 1991 Reported**

*PY0204153691 La Paz La Red Panamericana  
in Spanish 0000 GMT 2 Apr 91*

[Summary] The National Statistics Institute has reported that inflation during the first quarter of 1991 has reached 6.8 percent.

**Brazil**

**IDB's Loan Suspension Seen as 'Pressure'**

*PY0304021691 Brasilia Domestic Service  
in Portuguese 2200 GMT 2 Apr 91*

[Text] Itamaraty is concerned about the IDB [Inter-American Development Bank] decision to suspend loans to Brazil. The Foreign Ministry today expressed Brazil's concern over the decision by the United States, France, Canada, Japan, and the United Kingdom, as well as by the IDB, to suspend \$350 million in loans to Brazil. According to Itamaraty, the decision is intended to pressure Brazil to reach an agreement with commercial banks on overdue debt with those banks.

That decision contradicts indications from some of those responsible for the suspension that multilateral organizations would not be used as elements of pressure to sway negotiations with commercial creditors.

Itamaraty recalled that the IDB statute does not provide for such linkages. Therefore, Itamaraty considered the practice illegitimate and unacceptable, and even noted that the so-called Group of Seven is putting the IDB at risk as a financial institution and an instrument of support for regional development.

The \$350-million credit Brazil applied for would be used to meet the urgent needs of underprivileged populations in areas of high unemployment. For this reason, Itamaraty said the Brazilian Government expects the IDB decision to be reviewed.

**U.S. Charge Against Brazilian-Iraqi Bank Probed**

*PY0304014091 Madrid EFE in Spanish 2303 GMT  
2 Apr 91*

[Text] Brasilia, 2 Apr (EFE)—Acting Brazilian Foreign Minister Marcos Azambuja said today that his government is studying U.S. Government charges about a number of illegal deals with Iraq in which an official Brazilian-Iraqi bank was involved. Azambuja said the Brazilian Foreign Ministry has requested information on the charges from the U.S. Embassy in Brasilia and from the Brazilian Embassy in Washington. He added that it is also conducting internal inquiries at the Central Bank and the Bank of Brazil.

Azambuja said the list released on 1 April by the U.S. Treasury Department is preliminary and unilateral, and is not part of the sanctions imposed by the UN Security Council following the Iraqi invasion of Kuwait on 2

August. In addition to the Brazilian-Iraqi Bank, which has offices in Rio de Janeiro and Sao Paulo, the U.S. Government list includes an Iraqi Airways branch and the names of four Brazilians and three Iraqis linked to these two companies.

The Brazilian-Iraqi Bank was founded in 1982 as part of a general cooperation agreement between the two countries. The bank is owned by two state-owned financial organizations, the Bank of Brazil and the Rafidan Bank of Baghdad, as equal shareholders.

Joaquin Ferreira Amaro, president of the bank, has stated that he will sue the U.S. Government for the charge that his bank was financing illegal exports to Iraq and was involved in other irregular operations.

#### **Bank of Brazil Denies Aiding Iraqi Arms Deals**

PY0304034091 Rio de Janeiro Rede Globo  
Television in Portuguese 2300 GMT 2 Apr 91

[Text] The U.S. Government intends to punish enterprises that may have helped Iraq build up its military arsenal. That sort of connection with Iraq could result in a jail sentence of up to 12 years.

The investigations conducted by U.S. Treasury Department agents are shrouded in mystery. U.S. officials refuse to reveal details of the investigations. In the list released by the U.S. Treasury Department, half of the enterprises are based in Great Britain and small enterprises are a majority. Some of the small enterprises are banks, such as the Brazilian-Iraqi Bank [BBI]. Iraqi state companies are also included, such as Iraqi Airways, which has a branch in Rio de Janeiro. No indication is given as to how all these companies may have helped Saddam Husayn build up his arsenal.

In the list of companies accused of trading with Iraq, 37 belong to people who are unknown in the five countries mentioned, including Brazil. U.S. Treasury Deputy Secretary John Robson made it clear that those who are being accused are liable to jail sentences of up to 12 years and fines of more than \$1 million for violating the trade embargo imposed on Iraq in August of last year.

It is certain, however, that the release of this list has a clear political intention, not an intention to actually punish. The U.S. Government has already concluded that it will have to live with the idea that Saddam Husayn will in fact continue in power—at least for the time being—because he will not be overthrown by the Iraqi rebels. This being the case, the United States wants to keep Saddam Husayn against the wall, at least.

The BBI president denies that the bank has been involved in an international ring that diverted money to President Saddam Husayn. The accusation was made by the U.S. Treasury Department in a report in which eight people and three enterprises based in Brazil are mentioned.

One of the enterprises cited in the report is Iraqi Airways, which has branches in various countries around the world. The manager of the branch in Brazil could not be contacted today. The office was closed all day. The employees were instructed not to talk with journalists.

Another enterprise cited is the BBI. The eight people accused by the U.S. Treasury Department work or used to work at this bank. Half of the BBI's capital is owned by the Bank of Brazil; the other half is owned by the Rafidan Bank, the largest commercial bank in Iraq. The BBI also controls an insurance company mentioned in the U.S. report. BBI President Joaquin Amaro denied any bank involvement in the diversion of money to Saddam Husayn.

[Begin Amaro recording] We have not conducted any commercial operation whatsoever with Iraq. Any operation involving financing for weapons or some unorthodox financial operation would have been detected easily by the Central Bank auditors. [end recording]

The Bank of Brazil, a main BBI shareholder, has denied any participation in illegal deals with Iraq. An official note to this effect was released this evening by the Bank of Brazil. The official note affirms that the BBI has at no time conducted any commercial transaction in violation of Brazilian foreign trade laws or UN resolutions on Iraq. Since August of last year, according to the note, the BBI has ceased to finance exports to Iraq, in compliance with U.S. resolutions. The note adds that the Bank of Brazil, which owns 50 percent of the BBI shares, does not accept having its name used in unfounded, irresponsible, and unproven accusations, and it will consider taking appropriate legal action.

#### **Minister Installs New Social Security Officials**

PY0204141091 Rio de Janeiro Rede Globo  
Television in Portuguese 2300 GMT 1 Apr 91

[Text] Labor and Social Security Minister Antonio Rogério Magri today installed the two new directors of the National Institute of Social Security, INSS, in Rio de Janeiro.

Protected all the time by Federal Police agents, the minister said that he will return to Brasilia only after he has learned the names of those involved in the social security mafia.

Minister Antonio Rogério Magri is now in Rio de Janeiro under the protection of Federal Police agents. The minister has received death threats.

At the INSS grounds, a commission of the Trade Union of Social Security Officials expressed their support for the struggle against fraud and asked for police protection for the two directors who have also received threats.

The installation of the two new INSS directors was quick. The author [words indistinct] charges, (Gouveia Abreu Avila) is now the Revenue and Control Department director.

In his speech, Teixeira Neto, the new general prosecutor, summarized a conversation with President Fernando Collor. He said that when he asked the president what he should do if he discovered the identities of the thieves and the powerful godfathers, the president ordered him to arrest them.

[Begin Teixeira Neto recording] If we do not achieve that goal, we will be declaring our state bankrupt and we will be bequeathing to our children a country of corrupt people, a country of shamelessness that we cannot afford at this time. [end recording]

Minister Antonio Rogerio Magri will leave Rio de Janeiro only when he is able to take the initial results of his investigations to Brasilia.

[Begin Magri recording] When we know who, and when those names are confirmed, no matter what national post they may hold, they will go to prison without any doubt. [end recording]

Inspector Edson Antonio Oliveira, the Rio de Janeiro Federal Police superintendent, said today that he already has some names to investigate, following new reports on fraud cases, and that the first arrests could take place within the next few hours.

#### \* Gulf War Impact on Petrobras Oil Stocks

91SM0221D Rio de Janeiro O GLOBO in Portuguese  
16 Feb 91 p 23

[Text] Brasilia—Minister of Infrastructure Ozires Silva said yesterday that since the start of the war in the Persian Gulf, Petrobras [Brazilian Petroleum Corporation] had spent \$2 billion on additional purchases of petroleum stocks. The minister also announced that the measures for rationalizing the use of fuels as adopted by the Collor administration would be withdrawn when the Iraqi Government and the allied forces reached a peace agreement leading to the end of the war.

"We hope to withdraw the measures as soon as possible. But as long as the wartime atmosphere has not dissipated and we have not eliminated the risks of a shortage—and fortunately, the possibility of a shortage is growing increasingly remote—we will keep them," said the minister.

Despite the additional expenditure made necessary by the Gulf war, which has forced the government to stockpile petroleum derivatives and consequently caused an erosion of Petrobras's working capital, Ozires Silva gave assurances that consumers would not be penalized once again.

"It is not the government's intention to pass the fuel cost increases along to the consumer," he said.

Although no increase in fuel prices is anticipated, consumers will have to start paying the highway conservation tax beginning in March. That tax was approved recently by Congress and is now awaiting the president's approval. Ozires pointed out, however, that the tax

would be built into the price of fuels, meaning that it will also be paid by people who do not use the highways. Introduction of the tax was proposed by the administration as a replacement for the bridge toll stamp abolished by the president following approval by Congress.

#### \* British Firm, Imbel Discuss Engesa Absorption

91SM0221A Sao Paulo FOLHA DE SAO PAULO  
in Portuguese 24 Feb 91 pp 3-10

[Article by Roberto Lopes: "British Aerospace Joins Imbel To Absorb Engesa"]

[Text] The Brazilian Government has stepped up negotiations aimed at the takeover of the Sao Paulo firm Engesa [Specialized Engineers, Inc.]—the country's largest manufacturer of armored vehicles—by a new company in which the major partners will be Imbel [War Materiel Industry] (a firm connected with the Ministry of Army) and the powerful British industrial group named British Aerospace. A new round of meetings—which may be the final one—is scheduled for the end of the second week in March.

On the British side, the talks are being conducted by Richard Morley, a high-level official at British Aerospace and that group's probable representative in the future firm's management. On the Brazilian side, the talks are the responsibility of Secretary of Strategic Affairs Pedro Paulo Leone Ramos and Imbel's chairman, Gelazio da Rocha.

The negotiations have not been easy. They were to have ended on 26 November of last year, but were extended at the request of the Brazilian Government. The British do not want to assume responsibility for Engesa's debts. A businessman who represents a portion of British Aerospace's interests in Brazil has announced that according to the audit of Engesa's accounts that was conducted by the British at the end of 1990, the firm's total debts are estimated at approximately \$470 million.

In an exclusive interview with FOLHA DE SAO PAULO that was published last Monday, the chairman of Engesa, Jose Luiz Withaker, 61, announced that he now has the money needed for making the first payment under the terms of the composition to avoid bankruptcy that his firm requested a year ago.

Engesa has reported that it owes \$200 million, but it is most likely that that is only part of the debt and refers to obligations in which the creditors do not have "real guarantees" from the company (for example, buildings and machinery in the manufacturing facilities).

Withaker also announced that he was capitalizing Engesa by selling shares to domestic and foreign firms. According to him, there are 10 possible partners for the company: "The one that pays the most gets it."

According to British Aerospace's representative in Brazil, the chairman of Engesa has not been playing a

major role in the negotiations with the British. FOLHA DE SAO PAULO has learned that the Brazilian Government does not see any solution for Engesa at the moment other than its takeover by Imbel's joint venture with British Aerospace.

The new company will have four partners. The British asked the Army to guarantee the new firm a certain number of orders, but the military answered that the country's financial crisis—and that of the Armed Forces in particular—prevented them from doing so. British Aerospace was not pleased.

A reserve officer who works at Imbel has told a manufacturer friend that the first step by Engesa's new owners will be to close the firm's ostentatious administrative center in Barueri, Sao Paulo—where, 10 years ago, when Engesa was still growing and the Osorio heavy tank was a dream worth billions of dollars, waiters wearing white gloves used to serve canapes and fruit juice to afternoon visitors. According to the British Aerospace representative, another requirement by the British will be the dismissal of all the current managers of the company being taken over.

#### Agreement Facilitates Talks

Imbel's talks with the British Aerospace group to form a company capable of absorbing Engesa are being facilitated by the successful negotiation of an operating agreement between Imbel and the British firm Royal Ordnance (one of British Aerospace's chief subsidiaries).

That agreement will make it possible for Imbel to modernize and increase its production of ammunition, especially 90-mm ammunition.

#### Pride in War Materiel at an End

Engesa's takeover by Imbel and the British group British Aerospace—or whatever other fate may be awaiting the company—will mark the end of an era of inordinate pride on the part of Brazil's war materiel industry. There was good reason for that pride—20 years ago, no one could have expected the country to become competitive in the sophisticated arms market—but it was exaggerated.

In July 1985, Engesa leaked information concerning a sale, worth billions, of 1,000 Osorio-type tanks to Saudi Arabia. Its competitors in Europe, who were already keeping an eye on exports of Brazilian light armored vehicles (of the Cascavel and Urutu types) to the Middle East, were worried by rumors that the firm had solved the problem of producing an extremely efficient tank for the Arab armies.

The German company GLS [Society for Logistical Service] immediately went into action. The GLS, which is a subsidiary of Krauss-Maffei—the prime contractor for the German Leopard-2 tank—sent all the firms that had participated in lucrative projects such as the Leopard-2 tank a memo in which it recommended that they not sell their products to Engesa—which was preparing to build

the Osorio prototype. The result was that the Osorio was presented with a Dunlop hydropneumatic suspension (from the United States)—the efficiency of which was not well proven—and an MWM [expansion not given] engine instead of the German MTU [Motor and Turbine Union].

The boycott did not discourage Engesa's managers, who continued to interfere in business deals made by the Armed Forces. When the Navy wanted to buy the Gabriel missile, Engesa's chairman, Jose Luiz Withaker, torpedoed that plan from within the government. Withaker, who had previously had close ties to the Israeli military industry, wanted to show that he was a trustworthy partner for the Arab world.

#### \* PCB Seeks To Form 'Progressive Bloc'

91SM0221B Sao Paulo FOLHA DE SAO PAULO  
in Portuguese 24 Feb 91 pp 1-14

[Article by Andrew Greenlees: "PCB Wants 'Progressive Bloc' in Country"]

[Text] The Brazilian Communist Party [PCB] will hold its ninth congress at the end of May with one basic concern: to get around its minimal institutional representation in the country and try to influence the Brazilian left in the future.

All things considered, the PCB's meeting will probably be a repeat of the 20th PCI (Italian Communist Party) Congress held in Rimini a month ago.

An internal reorganization and a policy of alliances with other parties will be the central topics of debate for the approximately 1,500 delegates to the PCB Congress.

In the Brazilian case, there will also be a separate discussion on how to keep the "big party," as it is called, from continuing to lose space to other left-wing organizations, principally the PT [Workers Party].

"The challenge for the left is to prepare to achieve power and to be effective in capitalism—to formulate public policies for that purpose," says Councilman Luis Carlos Moura, 43, the only PCB member of the Sao Paulo City Council and the party's official representative at the PCI Congress.

The first step toward that preparation, says Moura, should be an "alliance policy" that will produce a "progressive bloc"—following the example of the victorious proposal at the [PCI] congress that transformed the PCI into the Democratic Party of the Left (Partito Democratico della Sinistra, or PDS).

The Sao Paulo councilman admits, however, that the actual thesis which prevailed among Italian Communists—that of Achille Occhetto, the current chairman of the PDS—is still encountering resistance within the party and in other political organizations in Italy. In other words, building the "progressive bloc" in Brazil would also be a task with enormous difficulties.

In the PCB, according to Moura, internal changes would help fit the party into the alliance policy, which theoretically would comprise groups ranging from the Communists to sectors of the PMDB [Brazilian Democratic Movement Party] and including nonparty groups such as ecologists and defenders of citizenship.

As was true in Italy, one of the most heated debates will probably have to do with the party's name. In the councilman's opinion, removing the word communist "would help" the talks among the parties.

As a first step toward the "alliance policy" and in an attempt to strengthen the party, the PCB's leaders have decided to allow nonmembers to also participate in the ninth congress, and they plan to bring members of other parties or nonparty organizations to the meeting. The site of the congress has not yet been selected. The choice is between Brasilia and Rio de Janeiro.

#### \* Economic Policy May Hinder Exports to Iran

91SM0221C Rio de Janeiro O GLOBO in Portuguese 19 Feb 91 p 19

[Text] Brasilia—Brazil may lose a market promising it a business volume of at least \$12 billion as a result of the government's policy for stabilizing and reducing the public deficit. Iran has offered Brazil a commercial partnership in which Brazilian firms would sell everything from sugar to services for Iran's reconstruction. Such a partnership might provide Brazilian firms with a way to escape the recession and maintain their production levels and, consequently, their employment levels.

Jose Artur Denot Medeiros, director of the Department of Foreign Trade, says the Ministry of Economy is aware of the difficulties involved in exporting today, chiefly in the sector of capital goods and services. And it is precisely that sector which would benefit most from the offer of business deals with Iran.

It happens that the Constitution did away with the export fund known as Finex [Financing and Export Fund]. Denot Medeiros says he is looking into a legal way to reestablish credit mechanisms using Treasury funds. He says that a bill for that purpose will be sent to Congress within a few weeks but that businessmen should not get excited: the credit will be very restricted because it will depend upon the availability of Treasury funds.

"It will certainly be very limited because of the policy for stabilizing and reducing the public deficit," Denot noted.

Minister of Infrastructure Ozires Silva was in Iran in November at the invitation of the Iranian Government, which offered to buy agricultural products in general, processed foods, farm equipment, petrochemical equipment, and vehicles from Brazil. Iran also wants to do business with Brazil in the area of services in connection with civil construction, railroad and road transportation,

the generation and transmission of electricity, paper manufacturing, food processing, the sugar industry, mining, and steelmaking.

#### \* Only \$6 Million Invested in Antarctic Annually

91SM0221F Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Feb 91 pp 1-14

[Article by Gutemberg de Souza: "Brazil Invests only \$6 Million Annually in Antarctica"]

[Text] Punta Arenas, Chile—Brazil's presence in Antarctica, which began with the pioneer expedition by two ships in 1982-83, is still modest. Thanks to the visit he will make to the Brazilian base of Comandante Ferraz next Wednesday, President Fernando Collor de Mello intends to demonstrate his administration's interest in scientific activity in the region, but officials associated with the Brazilian Antarctic Program (Proantar) are skeptical of the possibility that more funds for research will be forthcoming.

According to those officials, who were interviewed in Brasilia by FOLHA DE SAO PAULO, Brazil is one of the 10 countries—out of the 26 that have signed the Antarctic Treaty—that are most active in research on that continent. But the difference is stark. The United States, for example, invests about \$100 million in Antarctica annually, compared to the \$6 million invested by Brazil—which has a single base on the continent, compared to four operated by Great Britain and seven operated by the Soviet Union.

Of that \$6 million, only 15 or 20 percent has been directly invested in the financing of scientific projects. The rest is used for logistic activities such as transportation and supplies, which are the responsibility of mainly the Navy and also the Air Force. The Navy is responsible for administering the base. In recent years, Brazil's entire effort has been limited to keeping its research alive without permitting any significant expansion or the purchase of equipment that might make a qualitative leap possible. The Inter-Ministerial Commission for Ocean Resources (CIRM), which is coordinated by the Navy, acknowledges that there is no possibility of setting up another base in Antarctica or of purchasing another polar ship, which would make it possible to expand Brazilian activity on the continent geographically.

As a result of the limitation on funds, applications by researchers for financing have totaled from 30 to 40 percent more than the amount of funds available, considering only those projects whose scientific merit is officially recognized. This year the country is sending 47 researchers to Antarctica, among them Jefferson Simoes, the country's first glaciologist, who obtained his doctorate in ice accumulation—with a scholarship granted through Proantar—at the Institute of Polar Research in Great Britain.

The National Council for Scientific and Technological Development (CNPQ) is the agency that has been in

charge of Proantar's scientific coordination since November. This year it was hoping to have \$1 million for the 16 research projects under way. The budget cutbacks decreed by Collor Plan 2 have frozen about 90 percent of its appropriation. The release of those funds now depends on economic developments and on the lobbies in the government.

The number of researchers has been declining ever since the base was established in 1984. That, according to the CNPQ, is due not to budget problems but to the winding down of a phase in which samples were collected for universities.

### Chile

#### President Aylwin Briefs Media on Guzman Murder

PY0204233091 Santiago Television Nacional de Chile Network in Spanish 1615 GMT 2 Apr 91

[News conference by President Patricio Aylwin at La Moneda Palace in Santiago on the murder of Senator Jaime Guzman—live; monitored in progress]

[Text] ...[Aylwin] Last night we held a meeting of the National Security Committee, which gathers all order and security institutions, the national defense institutions, and some government officials. At that meeting we made some decisions on strengthening cooperation among all institutions in order to achieve maximum effectiveness in clearing this crime, on discovering those responsible, and on adopting severe measures against all terrorist groups. They are not going to achieve their objective of dividing us as long as we cooperate in this common task, putting aside our differences.

I also want to stress the significance of the remarks made by the Independent Democratic Union [UDI] leaders. They are justly grief stricken because they are personally experiencing this cunning attack on the man who was their indisputable leader. And, they have reacted very serenely and have made constructive remarks.

More than criticism, I want everyone to cooperate, submitting practical proposals to make this struggle effective. I trust that we will be successful in this struggle, which is essentially to guarantee peace in our fatherland. They will not succeed in their efforts to make us fail in the fulfillment of our tasks.

The country must continue working and producing. All economic activities must continue normally, and the government must continue fulfilling its tasks. To stop doing so would mean pleasing and admitting victory to those who do not understand that with their behavior, they are acting against the fatherland.

I hope that no one will cover up this action with words or deeds of support. On the contrary, I expect all Chileans to collaborate in eradicating violence from our fatherland for once and for all. I am at your disposal for any questions you might like to ask.

[Reporter] The National Renewal [RN] party recently stated through its president that the time has come for the government to take charge of the situation [deponerse los pantalones—put on the pants], using this very Chilean slang. Today he also said that much has been said in this country, but concrete measures must be adopted. He proposed concrete measures, among them the creation of an intelligence service using the Carabineros and Investigative Police. I would like to know your opinion of this RN statement and the proposals I have mentioned. Thank you.

[Aylwin] Well, I cannot conceal my regret over the hasty remarks made by the RN president. He knows the government has taken charge of the situation and is doing what is appropriate. Two weeks ago I invited the leaders of all the political parties, including him, to coordinate actions in the struggle against terrorism. I proposed the creation of a special congressional committee, made up of senators and deputies representing all political parties, with the objective of submitting concrete ideas. It is very easy to urge someone to take charge of the situation, but it is not easy to speak of the concrete actions to be carried out. A concrete proposal was made at that moment, and it came from the UDI. The idea was to organize an intelligence organization using the Carabineros and Investigative Police. I said then—and the acting interior minister also said at that meeting—that the idea was already being implemented by the government. The first steps have been taken, and at yesterday's meeting we appropriately reiterated the idea and decided to intensify it and organize it as quickly as possible—not only to coordinate between the Carabineros and Investigative Police, but to organize an operational unit, coming essentially from those two institutions, to handle intelligence work in this struggle against terrorism.

We are open to all concrete proposals. We are not only open. We urge those with creative, practical ideas to come forward in order to be effective in this struggle. This is not just a government struggle, nor is it a political sector's struggle; it is a struggle by Chile, by the entire nation, which must be freed of the scourge of violence, and the risk of terrorism in our fatherland must be eradicated.

[Reporter] [words indistinct] and the Armed Forces can join this committee, which will specifically fight violence, delinquency, and terrorism?

[Aylwin] Constitutionally, the Carabineros and Investigative Police are institutionally in charge of security and order. The Armed Forces are in charge of national defense. It is obvious, however, that the Armed Forces can provide clues or data by using their intelligence services and can collaborate with the security organizations. At the meeting yesterday I also made a call that was well received by all those present. I made a call for everyone's cooperation.

[Reporter] Mr. President, Christian Democratic Party [PDC] President Andres Zaldivar said yesterday, in

referring to the attack on Senator Guzman, that this was a serious problem for democracy. I would like to know your opinion in this regard, and I would also like you to answer [RN President] Andres Allamand's statement that you should suspend your trip abroad.

[Aylwin] Look, there is no doubt that this problem is serious. If it were not serious I would not be speaking at this moment nor would I say what I have said. I am taking this problem extremely seriously. I think this must make the entire nation react; for major problems there must be major solutions.

Regarding my trip, if it were a pleasure trip, you can be sure I would suspend it. But I am not going to Europe for pleasure. I am going to work hard. Those who have accompanied me on previous trips know that I usually impose a very demanding agenda. I am taking this trip because Chile has been absent from Europe for 25 years, because Europe is our friend, because it is in Chile's interest, and because cooperation in the cultural, economic, and institutional fields is very important. I am going to Europe to strengthen relations and to fulfill a task. If I suspend this trip because of a terrorist action, it will mean that terrorists are governing Chile and the government is not doing what it must because it is at the mercy of any terrorist attack.

[Reporter] Can yesterday's attack—in addition to the others perpetrated in Aconcagua some time ago—be seen as a plan to destabilize the government or propel the Armed Forces into a coupist adventure?

[Aylwin] I cannot speak about presuppositions, but there is no doubt that we are facing violent actions planned by trained groups that have broad experience in this field. Unfortunately, here in Chile there are certain groups of the extreme left that have not hidden their goal of continuing violence. They have made announcements and statements, and have claimed responsibility for the attacks. As a jurist, a man of law, I cannot make a judgment. The courts and the police must identify and punish those responsible. But it is clear that the country is facing violent groups from the extreme left that are practicing terrorism. These groups do not want to understand that this country no longer wants violence, and that by carrying out this type of action, they are jeopardizing democracy, although they may call themselves democrats.

[Reporter] Mr. President, will the murder of Senator Jaime Guzman make you change, in one way or another, your stance of continuing to pardon persons charged with terrorism, a position that the late senator opposed in Congress?

[Aylwin] In the first place, I would like to tell you that it is not a matter of continuing pardons. Thus far, I have not pardoned anyone charged with terrorism; obviously, because I could not do it while the constitutional amendment was not in force.

Now, in connection with this amendment—which was not proposed by the government and which implies the president's personal responsibility for making decisions that are very serious—I have always said that I would not evade such a responsibility, but that I would exercise it conscientiously. My conscience demands a case-by-case study of the background information. Undoubtedly, persons who are found to be linked with groups that practice terrorism in Chile cannot expect benevolence from me.

[Reporter] Mr. President, do you not think that double standards (?still prevail) in this political game? For example, on Sunday a publication carried an interview with Communist leader Luis Corvalan in which he advised youths to keep their arms, just in case.

[Aylwin] Frankly, when I read those remarks I felt great disappointment. I heard the appropriate Communist Party leaders say that they wanted to join Chilean democracy through democratic courses, that this is why they legalized their party, and that they believed violence is not justified in a democracy. I strongly reject Mr. Corvalan's words, which, in my opinion, are a signal that cannot be sent by anyone with real faith in democracy and in peaceful coexistence among Chileans.

[Reporter] General Manuel Contreras, a former Dina [National Intelligence Directorate] director, made a statement a few weeks ago. Among other things, he denied the Rettig report, denied human rights violations during the previous regime, and strongly criticized Senator Jaime Guzman. Could this type of statement in some way foment this kind of action in our country?

[Aylwin] All statements or attitudes of disrespect toward truth, of intolerance, or of repudiation of an adversary or any other person are factors that disturb peaceful coexistence among Chileans and could in some way foment this type of action. As for the National Truth and Reconciliation Commission's report, I maintain everything I said on 4 March.

[Reporter] Thank you very much. Good afternoon.

### **Army, Pinochet View Murder**

*PY0204183491 Santiago Radio Chilena Network  
in Spanish 1700 GMT 2 Apr 91*

[Text] The Chilean Army deeply regrets the treacherous murder of Senator Jaime Guzman Errazuriz, adding that there is commotion in the country following this serious event which has affected the national conscience and threatens the foundations of democracy.

The Army declaration goes on to say that the attack is the work of people who advocate an ideology of hate and death, who oppose national coexistence, and who deliberately and systematically violate the nation's moral and judicial bases.

The communique also says that those who assist in any way or who fail to prevent subversive action are accomplices of the murderers. The Army also conveyed its grief and its condolences to Guzman's family.

General Augusto Pinochet, the Army commander in chief, said: As a friend, I would like to say that by murdering Guzman, the murderers have eliminated a great Chilean.

Pinochet made this comment following a ceremony to celebrate a new anniversary of the Parachute School in (Golera).

#### UDI Releases Communique

*PY0304001091 Santiago Radio Chilena Network in Spanish 1700 GMT 2 Apr 91*

[Text] The Independent Democratic Union [UDI] leadership issued a communique today stating that despite the death of Jaime Guzman, this party will continue to grow with a renewed dedication to the country. The communique was issued before a meeting of the UDI Political Commission at noon today. The declaration was read by UDI President Julio Dittborn, who said that one of the best members of the party and one of the best citizens of Chile has died.

The declaration states that it is easy to understand why the criminals killed Guzman, adding that the criminals know how to recognize their most important enemies. It is clear that Guzman was the terrorists' target for the past few days. The terrorists said they could not allow Guzman's courageous attitude in Congress where he expressed the UDI's position on the possibility of pardoning terrorists. The UDI also denounced the government's incompetence in safeguarding public order.

[Begin Dittborn recording] The UDI denounces the government's incompetence in safeguarding public order and guaranteeing members of the three branches the necessary security to independently fulfill their high duties. It cannot be denied that the country is facing a terrorist escalation with unpredictable results, considering that, in an unprecedented action in the country's history, a senator, who was indisputably an opposition leader, was murdered in broad daylight. [end recording]

In another paragraph, the communique states that the entire country must know that those who gunned down Jaime Guzman are not the only ones responsible for his murder. Those who slandered, attacked, and unleashed a campaign of hatred against him are also involved in this crime. These people made it possible for this crime to occur. These cowardly people allowed those who promote hatred to succeed in their destructive task.

Intense activity was observed this morning at UDI headquarters on Suecia Street, where a book of condolences has been set up and where several new party members are being registered. A mass was said early in the morning at the military cathedral. At 1530 this afternoon, Guzman's body will be taken to the Gratiud

Nacional Church where it will be mourned until 1100 on Thursday morning. A mass will also be said at 1800 this afternoon at the Gratiud Nacional Church.

#### UDI Urges Calm

*PY0304003491 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 2 Apr 91*

[Excerpt] The Independent Democratic Union [UDI] made an emotional call to all those who were moved by this crime [the murder of UDI Senator Jaime Guzman] to drop their just indignation, remain calm, and show their love for the fatherland by striving to improve it.

The UDI executive, headed by Julio Dittborn, said that the country will improve if we strengthen democracy and freedom and place these rights at the service of the poorest sectors. The official declaration says a great man was assassinated and Chile should be ashamed. The declaration describes Jaime Guzman as simple, austere, friendly, deeply Christian, amenable, and respectful of other people's opinions, a person who dedicated his life to politics and teaching. The declaration says that those who attacked and insulted him and those who distorted his words and launched a hate campaign against him are responsible for his death as much as those who fired on him. The UDI also denounced the government's inability to maintain law and order.

Deputies from several political parties repudiated the assassination of Senator Jaime Guzman and agreed to suspend today's Chamber of Deputies session. Several deputies spoke about the urgent need to confront terrorism and stop its destructive actions.

[Begin recording] [Christian Democratic Party Deputy Waldemar Carrasco] The Chilean people have to be conscious that this is a national responsibility. They should reject, isolate, and denounce all terrorist acts. We should support a national campaign against terrorism because terrorism clearly attacks the democratic system and the country's peace and reconciliation, which is what all Chileans clearly want.

[Chamber of Deputies President Jose Viera Gallo] Government decisions will always help fight these things. The important thing, however, is for people to repudiate terrorism. Terrorists should be isolated. They should be made to understand that they are failing, that they have failed, that they will not succeed, that democracy is solid.

[Party for Democracy Deputy Jorge Schaulsohn] We have to review our position on violent groups, particularly the groups who continue to publicly proclaim their adherence to the armed struggle. I think Communist Party leader Luis Corvalan's statements are contemptible. His ambiguous position on the use of violence as a political tool can only contribute to fostering violence, the result of which we are regretting today. [passage omitted] [end recording]

### **Air Force Expresses Regret**

*PY0304005691 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 2 Apr 91*

[Text] The Chilean Air Force [FACH] has expressed its deep regret over Jaime Guzman's death. The FACH released a public declaration saying that it was very painful to see how irrational hate can deprive the country of a person who was honest, clear, consistent with his ideals, and entirely dedicated to serving the fatherland. In the declaration, the FACH expressed concern over possible damage to the process of transition to democracy, which Senator Guzman strongly supported.

### **Court Appoints Special Judge**

*PY0304020491 Santiago Radio Nacional de Chile Network in Spanish 2300 GMT 2 Apr 91*

[Text] The Supreme Court has designated Judge Guillermo Navas, who heads the 5th Chamber of the Santiago Appellate Court, as special judge to investigate the attack that claimed the life of Senator Jaime Guzman. The resolution was announced by Supreme Court Secretary General (Carlos Menezes). Investigation of the action, which was requested by the government, will be performed by the 6th Criminal Court.

### **Otero To Replace Guzman**

*PY0304015891 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 2 Apr 91*

[Excerpt] National Renewal Party leader Manuel Otero has said he will replace Jaime Guzman in Congress. Otero promised to fight crime and terrorism without pause.

[Begin Otero recording] According to the Constitution, I have to replace Jaime Guzman in the Senate. The task will be extremely difficult because of the extraordinary capacity, good disposition, and intellectual capacity of this outstanding senator. The circumstances also make the task difficult. I promise to fight for what he fought for, to strengthen the law, to assure the consolidation of true democracy and a free social order, to eradicate terrorism and violence, and to dignify human beings. [passage omitted] [end recording]

### **Carabineros Denounce Murder**

*PY0304014891 Santiago Radio Nacional de Chile Network in Spanish 2300 GMT 4 Apr 91*

[Excerpt] [passage omitted] We have also received a report from the Public Relations Department of the Carabineros of Chile, which released a communique on the murder of Senator Jaime Guzman.

In the communique, the Carabineros conveyed deepest condolences to Guzman's relatives and expressed strong repudiation of the events that have brought death to a national soul.

The communique states that the murder of Senator Guzman is a clear indication of the moral crisis affecting minority sectors in Chile. The document adds that the Carabineros, based on its own doctrine and on the fact that it is the institution that has been most badly and dramatically hit by the unreasonableness of political violence, wishes to express to the national community its unyielding will to resort to all available legal means to meet the noble aspirations of its fellow citizens.

### **Confrontation at Guzman's Mass**

*PY0304030691 Santiago Radio Cooperativa Network in Spanish 2300 GMT 2 Apr 91*

[Excerpts] The mass said in memory of the late Senator Jaime Guzman at Gratitude Nacional Church ended a few minutes before seven tonight. Government representatives attended the service. Among them were Secretary General of Government Enrique Correa, Secretary General of the Presidency Edgardo Benninger, Finance Minister Alejandro Foxley, and Education Minister Ricardo Lagos.

There were incidents as people exited the church. Demonstrators shouted at government authorities and ruling coalition legislators. The climate was tense because other demonstrators gathered at the park dividing Alameda Avenue to support government authorities. At one point, these demonstrators and UDI [Independent Democratic Union] sympathizers who gathered in front of the church exchanged threats. The climate was very tense. [passage omitted]

The UDI demonstrators threw all kinds of objects at government representatives when they left the church. General Fernando Matthei, Air Force commander in chief, was hit with an egg, which was clearly visible on his uniform. The same thing happened with Senate President Gabriel Valdez.

The Carabineros were forced to increase security measures because of the number of counterdemonstrators in the park nearby. These demonstrators came to support government representatives who were being heckled and insulted by UDI sympathizers. The Carabineros disbanded them to prevent further complications.

Many people who wanted to participate in this homage to Jaime Guzman entered the church after the mass. The funeral will take place on 4 April.

### **FPMR Public Relations Official Views Policy**

*PY0304025491 Santiago HOY in Spanish 18-24 Mar 91 pp 14, 15*

[By Maria Irene Soto]

[Excerpts] On 14 March, as the Santiago press published headlines on the threatening actions of the Manuel Rodriguez Patriotic Front [FPMR] (the afternoon daily LA SEGUNDA carried the headline: "The Front: Second Threat," referring to a bomb attack on the

Lautaro bakery in La Cisterna District), a young FPMR member, a marketing expert who was wearing normal clothes, without covering his face or carrying a weapon, talked with HOY in a house in Providencia District.

He is the man in charge of FPMR political relations but he does not yet have the position of spokesman. He prefers not to give his title "because the front has not yet made a decision." He maintains, however, a much closer relation with the clandestine organization than the official spokesmen, Vasily Carrillo and Karin Eitel, who are being held in the Santiago jail.

The important thing was to confirm the information learned by HOY last week that the FPMR has denied—through other leftist parties—its participation in the murder of the military doctor and his wife in Rancagua early on the morning of 3 March. [passage omitted]

What are the reasons given by the FPMR in denying any responsibility for this event?

1. The FPMR maintains that, contrary to the latest attacks in which Air Force Commander in Chief Roberto Fuentes Morrison, who was a former member of the Joint Command, and Carabineros Colonel Luis Fontaine Manriquez were killed on 9 June 1989 and on 10 May 1990, respectively, current FPMR policy "does not seek to execute those who have been involved in human rights violations."

The FPMR maintains that its new strategy seeks to promote social mobilization "so the feeling of a need for justice will compel the government and the judicial branch to comply with the people's mandate."

2. After the first year of the Aylwin administration, the FPMR is undergoing a process of evaluation that will be completed at the end of March and that has yielded rather negative results. An FPMR faction has maintained internally that today's challenges are "the strengthening of the organization's military capacity requires joining the social base;" "a more active political participation is necessary;" "revolutions are made by masses and not by illuminated advance sectors;" "it is impossible to gain power without a force that is able to confront, militarily and socially, the Armed Forces, which are in power;" and "we do not want to frighten workers but to generate confidence so that they will struggle for their rights."

The FPMR maintains that this internal debate has paralyzed major military actions. In fact, besides some blackouts in the poorest neighborhoods of Santiago on the evening of Monday, 11 March, when leftist sectors called for an unsuccessful national protest over human rights, the FPMR has not claimed many other actions. On the morning of 14 March, the FPMR delegate was not even sure if his organization had anything to do with the bomb that was detonated in front of the Lautaro bakery. He only said that "the FPMR is no longer planting bombs."

This is the current temporary policy because "the FPMR will never give up striving for justice and punishment for those who are guilty," he said. Among the guilty, there are three that the FPMR has sentenced to death: former Dina [National Intelligence Directorate] head General Manuel Contreras; former CNI [National Intelligence Center] agent Alvaro Corbalan, and Army Commander in Chief General Augusto Pinochet.

#### Interior Minister Completes European Tour

PY0204152491 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 1 Apr 91

[Excerpt] Interior Minister Enrique Krauss has just toured Italy, Spain, and Germany. He said that these countries have pledged to support Chile in its efforts to fight crime and violence.

[Begin Krauss recording] It was a positive experience for us, a concrete step forward in these areas. We have always said—and the president of the Republic himself has time and again said—that all Chileans must become involved in this struggle. The government has stated its political decision to support those institutions charged with undertaking this struggle. Thus, we want the Carabineros and the Investigative Police to have the best possible operational facilities and to provide their personnel with the best possible training. [end recording] [passage omitted]

[Madrid EFE in Spanish at 2128 GMT on 1 April carries a 300-word report quoting Interior Minister Krauss—who returned to Santiago on 31 March—saying that "Spain, Italy, and Germany have pledged \$25 million in aid to the Chilean police." He adds that this aid will be earmarked for purchasing weapons, vehicles, and communications equipment.]

#### Soviet Businessman Seeks Joint Aircraft Venture

PY3103015091 Santiago EL MERCURIO in Spanish 25 Mar 91 p B2

[Text] Boris Hutoretski, director general of the Soviet company Interavia [name and title as published], has come to Chile to examine the possibility of establishing a joint venture with a Chilean company. The objective is to be able to manufacture ultralight planes and aerostatic balloons in Chile.

The Soviet executive met with FIDAE [International Air and Space Fair] officials and told them that Interavia will participate in the 1992 fair. He will also meet with Enaer [National Aeronautical Enterprise] executives and private sector businessmen.

Hutoretski said his company manufactures multipurpose aircraft that can be used for agricultural activities, forest fire spotting, air photography, etc. He stated that the planes can fly at speeds up to 200 km per hour and do not require airfields to land.

Regarding the background of Interavia, Hutoreski noted that the organization began to operate as a civilian industry when a military plant was deactivated following disarmament. Its technology is as modern as that of the MIG-19 and its production capacity as high as 150 units per year.

He said Interavia sells its planes at an average price of \$70,000 and is exporting them to European countries, including Great Britain, Poland, and Bulgaria. The company has participated in several specialized fairs throughout Europe.

Hutoreski affirmed that he knew of Chilean industrialists who had expressed interest in the technology of the various types of planes manufactured by Interavia. He said some deals could be signed during his stay in Chile.

The First Encounter of Chilean and USSR Businessman—"Enchisov 91"—is being organized to encourage the establishment of Chilean-Soviet mixed enterprises and to strengthen trade exchange between the two countries. The meeting is being organized by the National Chamber of Commerce, the Sofofa [Industrial Development Association], PromoExpo [expansion unknown], and the Institute for the Study of Contemporary International Relations.

The event, which will take place in Santiago during the second week of July, will be sponsored by the Latin American Institute of the USSR Academy of Sciences and the USSR Chamber of Commerce and Industry.

This information was announced by general coordinator Jorge Vera Castillo, who added that nearly 30 Soviet businessmen will come to Chile for the first stage of the meeting and that more than 40 Chilean businessmen will then travel to Moscow for the second stage, which will take place in September.

Vera said the program includes the organization of expositions and discussions on economic issues, foreign trade, and trade legislation. The possibility of creating mixed enterprises will also be analyzed.

The Soviet delegation will travel to the country's interior for a closer look at productive sectors outside Santiago.

"The idea is to get them acquainted with our products, particularly mass consumer goods such as clothing, shoes, and food. The Soviet market presents unlimited possibilities, and Chile is a very good provider," Vera said.

Trade between Chile and the Soviet Union currently totals \$20 million, with the balance of trade favoring the USSR. The idea behind "Enchisov" is to generate balanced trade.

### **MIR Holds Congress, Creates New Party**

*PY0104185291 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 1 Apr 91*

[Text] The MIR [Movement of the Revolutionary Left] has created a new party to counteract the inability of the Coalition of Parties for Democracy to represent the entire society.

The MIR held its 5th National Congress on 31 March under the slogan: Facing the Changes. The congress was attended by 300 delegates. It was the first national congress held by the MIR under the current government. The MIR expressed its commitment to the success of the democratic transition but criticized the lack of new channels through which to voice an opinion.

Leader Nelson Gutierrez said that the Coalition of Parties for Democracy has, in the first year of its administration, for various reasons showed an inability to politically express the aspirations of the large social sectors which supported the coalition. He indicated that the MIR will present candidates in the upcoming municipal elections. He added: The MIR values the efforts made by the armed groups which fought against the military regime but we believe that in this new historic process these groups do not help to find solutions to the great problems and tasks.

### **Government Files Lawsuit on FPMR Demonstration**

*PY0204162291 Santiago Radio Nacional de Chile Network in Spanish 2300 GMT 1 Apr 91*

[Text] Interior Ministry lawyer Luis Toro has stressed that his ministry believes that there are guarantees that allow all groups to develop their activities in Chile. The right of assembly will be respected but violation of the law will not be tolerated, and the activities of organizations that are against the institutional system will not be permitted, especially if they advocate the armed struggle as a method to achieve social, economic, or political change.

Based on this, the Interior Ministry has filed a lawsuit against persons whose names have not been released in order to avoid hindering the investigations.

The lawsuit is related to events that occurred in Villa Francia [not further identified] where a demonstration was held by the terrorist Manuel Rodriguez Patriotic Front [FPMR] to mark the anniversary of the death of the (Vergara Fadeu) brothers.

The lawyer reported that the lawsuit was filed because some of those who participated in the demonstration have already been identified.

**Man Charged With Terrorism Held Incommunicado**

*PY0204140391 Santiago Television Nacional de Chile Network in Spanish 0000 GMT 2 Apr 91*

[Excerpt] The youth who was arrested by Carabineros on 29 March during the incidents in Villa Francia when a ceremony was being held on the sixth anniversary of the death of the Vergara Toledo brothers [not further identified] is now being held incommunicado. The father of the victims admitted that an armed group clashed with the police.

[Begin recording] [Reporter] The man arrested was identified as Victor Rojas Morales, 20. This afternoon Rojas testified in the 15th Criminal Court of Santiago. Judge Gloria Ponce Hermosilla is in charge of this case. It has also been reported that two other youths arrested on 29 March have been released. They are Claudio Andres Alarcon and Javier Arellano. Victor Rojas' lawyer explained his client's situation.

[Unidentified lawyer] For five days he has been held incommunicado at the prison. He is being held in accordance with Law 18314, the antiterrorist law. The articles refers to throwing bombs or explosive devices which may affect the lives of people or property. [passage omitted] [end recording]

**Colombia**

**Police Dismantle Drug Cartel, Arrest Ringleaders**

**Arrests in Venezuela, Cordoba**

*PA0204144991 Bogota Radio Cadena Nacional in Spanish 1209 GMT 2 Apr 91*

[Report by Jaime Orlando Gaitan]

[Text] Bogota—In the past few hours, the Dijin [Directorate of Judicial Police and Investigations] has dismantled the so-called coastal cartel, which was involved in shipping cocaine to the United States and the Caribbean. The Dijin arrested the ringleaders, destroyed 12 tons of cocaine, and discovered the fate of the missing captain and a member of the Cordoba police.

The operation started near Tierra Alta, Cordoba, on 20 January, where police Captain Pedro Alejandro Rojas Betancur and member Juan Montanez Prieto had been reported missing. The operation then spread to the Atlantic coast in the Cordoba and Antioquia Departments, the coffee-producing zone, the country's capital, and finally Venezuela. The ringleaders were captured in Venezuela and Cordoba in similar operations.

According to Dijin director, Colonel Jorge Enrique Montenegro Rinco, the Technical Judicial Police arrested Dario Mendoza Parra, the chief of the criminal organization, in Puerto La Cruz in the Amortegui State in Venezuela. Mendoza fled Colombia after the authorities suspected him of being involved in the disappearance of

the policemen. In addition, the Venezuelan police captured the cartel's chief of military operations, Luis Jeronimo Berrocal Fernandez, who, along with Mendoza, was deported and later handed over to Dijin in Cucuta. At the same time, in Cordoba and Antioquia the Dijin captured Hernan Vicente Sanchez Mejia, a partner in the drug trafficking network; Jaime Pinto Ferreira, a contact in Bogota; Jorge Virgilio Garzon, coordinator for the Colombian Caribbean coast; Clodomiro Mendoza Parra, another partner; and Enrique Duque Lopera, a contact in Venezuela.

The operation against the Venezuelan drug cartel took place yesterday. The police confiscated seven tons of cocaine during a raid near Sanantero, Cordoba Department.

**Human Rights Abuses Alleged**

*PA0304011391 Bogota Inravisión Television Cadena 2 in Spanish 1730 GMT 2 Apr 91*

[Text] "Telenoticiario del Mediodia" newscast has obtained new details in the case of the Cordoba Department drug traffickers charged with the killing of a captain and a sergeant from the Directorate of Judicial Police and Investigations [Dijin]. The new revelations range from charges of human rights violations to the murder of Luis Geronimo Berrocal's mother-in-law by state authorities. Geronimo Berrocal and Dario Mendoza are charged with the possession of 12 kg of cocaine that had been seized earlier this year in Cordoba. Vilma Tarazona has the details.

[Tarazona] According to the report presented in the Monteria courtroom, the employees of Dario Mendoza, an alleged drug trafficker in the coastal region, claim that they were tortured by state authorities. Libardo N., [name as heard] a swimming pool cleaner and an employee of Dario Mendoza, stated under oath that on 5 February he was bound, blindfolded, and tortured by several individuals who identified themselves as the police.

Libardo said that his interrogators demanded to know the whereabouts of Dario Mendoza, who is wanted for questioning in connection with the murder and disappearance of a Dijin captain and his driver. He noted that, after destroying several objects on the property, the intruders warned him not to say anything if he wanted to protect his life and that of his family's. The medical report and the photographs presented before the court confirm the allegations of torture. The report says that after several interrogations Hernando, Antonio, and Jairo Berrocal, brothers of Luis Geronimo, a person accused of serving as henchman for the coastal cartel, were arrested by the state authorities in February. Luis Geronimo was captured by Dijin forces over the weekend.

As confirmed by the medical report, Hernando Berrocal was transferred to Monteria's Saima Clinicon 13 February, after several of his ribs were broken during torture. On the same day, Berrocal's mother-in-law was murdered. The report, made available for this newscast, contains similar charges by six more of Dario Mendoza's employees. The attorney general's office will have to establish the veracity of these charges.

#### **Authorities Report 6 New Cholera Cases; 19 Total**

*PA0104032791 Bogota Inravisión Television  
Cadena 1 in Spanish 0100 GMT 1 Apr 91*

[Text] The National Health Institute today confirmed that six more persons are sick with cholera. Five of them live in Tumaco and one of them in Salahonda. This brings up to 19 the number of cholera sufferers in the country.

### **Paraguay**

#### **Rodriguez Addresses Congressional Opening 1 Apr**

*PY0204000091 Asuncion Red Nacional de  
Television in Spanish 1302 GMT 1 Apr 91*

[Speech by President Andres Rodriguez at the opening ceremony for the 1991 congressional session at the Legislative Palace in Asuncion—live]

[Excerpts] Honorable Congressmen: Convinced that we all share the ideal of a better future for our fatherland, I cordially greet you on the occasion of the opening ceremony for this year's congressional session and I am pleased to report to you, in compliance with constitutional provisions, the administration's accomplishments.

We all knew that this novel experience of a transition to democracy would be difficult. We have seen for ourselves this is so, but difficulties, no matter how harsh, do not weaken our resolve or our hopes. On the contrary, every day they help strengthen our commitment to guide the country along the unknown path of democracy.

During this difficult journey it will probably be impossible to avoid some improvisation, but this is compensated for by our desire to do better every time and by our firm will to keep moving forward. In this great task of building democracy and fostering the nation's sustained development we will not be stopped by obstacles or defections.

One thing about this process is clear to all: We are returning sovereignty to the people. This is our true contribution to the institutionalization of democracy in our country.

The people were denied this sovereignty for at least 40 years and if we were to really scrutinize our history, we could very well see that our people have never enjoyed the full exercise of this sovereignty. From now on,

however, no force will be capable of wresting this inalienable right away from them.

In pursuit of this liberating project—which we have undertaken with our eyes open—we have implemented freedom of expression and information in the country and have democratically reinstated the rights to meet and to join unions and associations. We have also contributed to the law on political parties, which are subject to law and not the whims of some despot. The same objective is being sought in implementation of the new electoral code—the framework that guarantees the free exercise of people's sovereignty.

These are not mere words but deeds that epitomize the new political times during which we have instituted a state of law, leaving behind the ill-fated times of political harassment and thus putting an end to the practice of sentencing fellow countrymen to tread the long, strange paths of exile.

Today we can be proud of the fact that our country is enjoying its longest period of true freedom. Let us meditate on this achievement, let us recognize its true value in the light of our history because it would seem that in the heat of political struggle we tend to overlook this achievement without truly appreciating its scope, as if we were forgetting the oppression that the country had to endure in the recent past.

The demands for political, civil, and social rights, which were coveted for many years, are no longer delayed, and this is the way it should be because the democratic project is an endeavor that brings all of us Paraguayans together.

During this period the government has made an effort to strengthen the democratic way of life by promoting internal stability and by seeking to reinstate the country as a member of the international community.

Internal stability would have been less difficult had the political parties used their abilities to better manage their internal conflicts. Although we understand that coexistence and tolerance are not easy to exercise and keep foremost in our mind after so many decades of authoritarianism, we do not justify the lack of desire to practice them to contribute to the unity of the parties.

The transition to democracy needs good sense and tolerance and above all, the generosity of all political sectors. Allow me to insist that without that generosity, without civic courage to defend ourselves from selfish attitudes, contributions to this process and to its consolidation will be few.

In this regard, I would like to emphasize that there are four main protagonists in this transition process: the people, the government, the Armed Forces, and the political organizations. I am quite certain that none of them will create any obstacles to the process because they

are imbued with the idea that without democracy there can be no development, social justice, or genuine respect for equal rights.

The normal development of the current political process is solidly guaranteed by the Armed Forces. Their unity as well as their total and exemplary support for the government are characterized not only for their unbreakable loyalty, but also by their support with their ideas and actions in their tasks at the service of the high and unselfish interests of the Republic.

It is fair to acknowledge—and we must not be petty about it—that the changes going on in the country are resolutely and frankly supported by the Armed Forces and that this sympathetic stance represents the most effective security that the transition toward democracy is an irreversible process.

I am also confident that the political forces will not disappoint us and will finally put the interests of the people and of democracy before personal and sectorial interests.

Without magnanimity in spirit and action nothing great can be accomplished for the progress of society. The democratic transition must go through three well-defined steps: political reform, free elections, and constitutional reform. The government has an exact idea of the changes involved in these steps; therefore, the government will not obstruct these steps. True confirmation of its resolution to contribute to political reform is the opening shown in its relationship with the political parties, where in addition to respecting their autonomy, it also advocates frank, cordial dialogue with the main leaders of the parties without any other objective than to seek their most effective cooperation in their fields of action.

The idea is to have political pluralism fully prevail because it is the constructive way of coexistence, not only between political organizations, but also between the parties and the government. The most important sign of this change, which shows a new political reality, is the normalization of relations between the government and the political parties. Our political style does not advocate exclusion, but the will to promote responsible and creative participation. In a representative democratic system, elections are the source of legitimate authority.

Without free elections, popular sovereignty is distorted. Therefore, the government has been concerned about contributing another radical transformation to this process—promoting the necessary measures and conditions for the upcoming municipal elections to be truly free, democratic, and just.

In these elections, not only will mayors throughout the entire Republic be elected for the first time in our history, but candidates representing independent organizations will participate in them for the first time also. Thus, we will advance toward a plurality of options, an essential characteristic of a modern democratic system.

We are making a fervent call to the Paraguayan people to participate in these elections, guaranteeing them that the government will do everything possible to have the people's will respected in a clear, responsible manner.

Paraguay needs a comprehensive legal instrument to achieve exemplary democracy, and to consolidate it for future generations: This instrument is called the National Constitution. Its reform is essential if we are to build a modern social and democratic state and to replace the old authoritarian state. As the head of state, I promise before this Honorable Congress that the executive branch will lend its full support to this significant and unpostponable goal. [applause]

Honorable members of the National Congress, the Interior Ministry is in charge of safeguarding public peace, order, and the people's tranquility, respecting the law and seeing that the law is respected in order to strengthen the state of law that prevails in the entire Republic.

The national government is engaged in a search for national harmony, which is our people's hope. We are sad to confirm that there are still some sectors in our society hindering advance.

The political parties are freely developing their activities and today they are conducting an intensive proselytization campaign envisaging the municipal elections scheduled for 26 May 1991. The population in general is enthusiastically experiencing this intensive electoral life—never before experienced—with the government's most ample guarantee and within the framework of an electoral code democratically drawn up and discussed by the National Congress.

With the desire of guaranteeing the fairness of the municipal elections, the government has issued an invitation to the OAS secretary general for a delegation of OAS observers to participate in the electoral process and in the elections.

In the socioeconomic field: In view of the conflicts involving illegal land occupations, I would like to reaffirm the national government's will to respect the constitutional principles and the law consecrating respect for private property. We, nonetheless, do not fail to recognize the social function of land. Those cases in which the land is not used soundly or serves only for speculative goals are against this function.

To prevent the effects of natural disasters and to promptly meet the needs arising from such disasters, the government has issued a decree creating the National Emergency Committee.

The resolute struggle against drug trafficking, which is a priority target for the government, has continued through Dinar [National Narcotics Directorate]. Numerous operations were staged against the merchants who trade in human health and dignity.

### Foreign Relations

With the recovery of its democratic life, Paraguay has fully and actively rejoined the international community. International acknowledgement of the new situation prevailing in Paraguay has been reflected in our active participation in international and regional affairs.

During this period, the exercise of direct diplomacy by the chief of state has been intensified. This has generated very positive results for national interests. Thus, on 3 and 4 May 1990, at the invitation of Argentine President Dr. Carlos Saul Menem, we made an official visit to that country. On that occasion, we laid the groundwork for the promotion of bilateral exchange and for real and effective integration, especially in the energy sector.

We then toured the United States, Taiwan, and the ROK. On 15 June 1990, I met with U.S. President George Bush at the White House. On that occasion, we addressed issues relating to the promotion of our bilateral ties and the reentry of Paraguay into the Generalized System of Preferences. At that meeting, President Bush expressed his satisfaction over Paraguay joining the world of free and democratic nations, and a decision was made to work together in the area of the struggle against drug trafficking. The U.S. President acknowledged the Paraguayan Government's efforts to eradicate those illegal activities from our territory.

We also met with the chairmen and members of the U.S. Senate and House Foreign Affairs Committees, to whom the members of the official delegation delivered a detailed report on the political and socioeconomic situation prevailing in our country. [passage omitted]

Asuncion hosted the 20th OAS General Assembly, which commemorated the centennial of the creation of the inter-American system. The assembly was attended by the presidents of Argentina, Brazil, Bolivia, Uruguay, and Suriname and the personal representatives of the U.S. and Ecuadoran presidents.

At the general assembly, the presidents signed the Declaration of Asuncion, the contents of which reaffirmed the wishes to revitalize the inter-American system and expressed support for the education of people for peace, democracy, peaceful coexistence, and respect for human rights.

On 26 March, together with Argentine President Dr. Carlos Saul Menem, Brazilian President Dr. Fernando Collor, and Uruguayan President Dr. Luis Alberto Lacalle Herrera, we signed the Treaty of Asuncion, which created a common market in our countries.

Paraguay's joining the Rio Group was an outstanding event. This means the political change in Paraguay has been effectively acknowledged.

Considering that we could not ignore the situation that the unwanted Persian Gulf war caused within an international context, at international forums our country

repeatedly expressed support for the peace efforts of the United Nations and for the initiatives of the UN resolutions.

### Economy and Finance

The Paraguayan economy grew by approximately 3.5 percent in 1990, despite unfavorable weather conditions that harmed agriculture and livestock sector activities, a decrease in international soybean prices, serious inflationary processes in neighboring countries, and the crisis in the world oil market.

The results of our external operations have been positive. The balance of payments registered a \$269 million surplus. The Central Bank could thus increase its net reserves by \$241 million, based above all on income from the export sector, from private capital investment, and from capital transactions by binational entities. Our total reserve now stands at \$676 million.

On 31 December 1990, the balance of the external public debt was \$1.7 billion. When compared with the \$2.096 billion figure for the 1989 fiscal year, this figure represents a reduction of 19 percent.

The main reason for this significant reduction was the cancellation of our debt with Brazil, amounting to \$486 million. This operation was beneficial to the country because a discount of around 75 percent was obtained through the exchange of Brazilian and Paraguayan foreign debt papers. If the London inter-bank offered rate had remained constant, Paraguay would have paid a total of \$1,053 billion on its debt over a 20-year period, but only \$123 million was necessary for the aforementioned alternative.

The structure of the foreign debt is good because a significant part of it—38 percent—has been contracted with international financial organizations and with governments and agencies of governments grouped within the Paris group.

In 1990 we paid \$270 million to service the foreign debt, of which \$193 million went to principal and \$77 million to interest. After these, we postponed payment of some debts for which the overdue, unpaid obligations we owe our creditors will amount to \$403 million on 31 December.

In the economic framework outlined by the government, we have deregulated our finances through the gradual freeing of interest rates—which, as of October, were completely released to supply and demand. This was aimed at making better use of credit and positively encouraging local saving. The government also authorized the issuance of deposit certificates with a minimum legal reserve of 10 percent in order to attract more deposits by financial agencies.

As of March 1990 the government authorized the issuance of a monetary control bill and the creation of a money window at the Central Bank in order to reinforce

controls on internal liquidity and make operations in this sector more efficient. The issuance of currency in 1990 only increased by 30 percent in comparison with 1989, when it totalled 51 percent, thus shrinking monetary expansion, which, if allowed to increase above the level the economy can absorb, could become inflationary.

In 1989 monetary reserves backed the printing of money by 80 percent, which was the result of its recomposition after the very low level experienced late in 1988.

In 1990 monetary reserves backed the printing of money by 100 percent because no new credits were granted to banks whose balance increased only five percent. The normal revenues during my term in office increased by 195 percent, which shows the great effort and success obtained in this field.

In 1990 tax collection amounted to 779,061,000,000 guaranies, which surpassed that of 1989 by 48 percent. Capital expenditures increased by 85 percent in response to major investments made during the year and there was an increase of 1,098 percent in transfers to public institutions, especially those for agrarian reform, housing construction, and the payment of debt services for the central administration and some autonomous institutions.

Another high priority item for this administration has been the continuation of studies on tax reform with the primary purpose of replacing the numerous current taxes with a few new and better taxes. The new taxes will attempt to get closer to the constitutional principles of equality and justice and will be designed to produce high collection indexes at a low administrative cost. An initial proposal was made public in order to ascertain people's opinion on the matter. The suggestions and criticisms we received are being carefully analyzed at this time.

The system of incentives presently in effect for economic development investments has given new strength to the process of the creation of production concerns because of the benefits it grants and its easy availability.

The government has sponsored efforts to obtain a \$30 million line of credit for industry at the Inter-American Development Bank. This loan will be implemented as soon as the constitutional and procedural conditions are met.

#### **Education and Worship**

The national education system needs a deep review and adjustments. The Ministry of Education and Worship has created the Advisory Council for Education Reform with the specific purpose, in the short term, of preparing an assessment of the general situation of education. This council has the additional mission—based on the assessment—of formulating a project for education reform and following up on its implementation.

The government has also created the Education Department Directors Council to pursue an appropriate coordination of the department's efforts and establish priorities for action in order to achieve more efficiency.

One of the achievements of this council has been to produce an evaluation of the teaching situation. The report was able to pinpoint the major problems and the most urgent needs in areas such as class attendance, learning, course repetition index, dropout rate, and effectiveness. The council has also produced new answers for technical and professional training methods for middle and upper level training schools. The new proposals were implemented in new technical training centers such as the ones in Luque and Fernando de la Mora.

The ministry launched an awareness campaign through the Literacy and Adult Education Department to reduce the problem of illiteracy. We did not neglect special education. Many groups received special education through several available programs. A total of 2,685 children and young people with different kinds of problems received special education in 15 special schools in the capital and the interior during 1990.

The situation of teachers' salaries has been of special concern to the government, which granted an increase in the second semester of 1990 within what was possible. This government is aware of the need to improve teachers' salaries. The government has set the goal of granting teachers a salary increase each semester so they can earn the minimum salary per shift by 1993. Social security coverage has also been extended to children below 16 years of age.

In keeping with the tenets of the Constitution, the government has guaranteed religious freedom, encouraging the participation of churches in the development process under way in our country. In particular, the government has maintained very fluid relations of mutual respect with the Episcopal Conference. The state's contribution to the Catholic Church, which was channeled through the national budget, has reached 311,495,700 guaranies.

The approval of Law No. 68 in 1990 marked a significant event in the process of revitalization of the national culture. This law requires that the two national languages, Spanish and Guaraní, must be part of the curriculum at elementary and high school levels.

#### **Agriculture and Livestock**

The government has paid particular attention to the agriculture, livestock, and forestry sectors, taking into account their socioeconomic significance. The government has thus promoted the production of goods for the internal and external markets and actions aimed at improving the well-being of the rural population, which constitutes a majority in the country. [passage omitted]

The Ministry of National Defense, following instructions issued by the executive branch, has devoted special attention to the education and training of soldiers, in line with the new times that our country is living.

Particular attention and devotion has been dedicated to the civic education of soldiers, who in addition to receiving the military instruction set forth by law, are being trained to rejoin the civilian and production sectors as active participants in the consolidation of the ongoing democratic process. [passage omitted]

#### Justice and Labor

Since justice and labor encompass an area that is all-important for the country's socioeconomic development, the government's action has been directed at consolidating the state of law. The process of improving the administration of justice has advanced significantly and is moving toward the objective of rendering justice promptly and inexpensively as the Paraguayan people demand. The field of justice is vast, difficult, and relevant; the government is endeavoring to improve and refine it because it directly affects the society in which we live. To that effect, we seek cooperation at home and abroad.

The government has concerned itself with enforcing respect for human rights as fundamental values in the life of man. To that end, through a cooperation agreement signed with the United Nations, a high-level seminar on the application of international human rights instruments and justice administration was held in Asuncion in July 1990 with the participation of former Presidents Dr. Raul Alfonsin and Dr. Jose Sarney and with internationally prominent juridical figures as lecturers. For the purpose of better promoting and protecting human rights in Paraguay, the government created the National Human Rights Directorate, thus realizing a longtime aspiration of a large sector of society.

Furthermore, the administration of justice has been expanded by opening new offices for judges in many localities around the country so as to meet the urgent needs of the local people, who were cut off from this necessary service. Judicial offices and civil registration offices have been given the infrastructure their functions require. Training has also been provided to ensure that justice is dispensed honestly and knowledgeably, as well as truthfully in keeping with the letter and spirit of the laws.

The complex world of labor encompasses relations between workers and employers. The smooth coexistence of these two sectors calls for the state's active and effective participation through conciliatory intervention. As a means of solving labor conflicts by reconciling interests, a system of dialogue through tripartite meetings of workers, employers, and Justice and Labor Ministry officials has been established. The government has respected and consolidated labor freedom, allowing all

associations, federations, and unions that function as prescribed by law to freely carry on their activities.

It must be noted that the sanction imposed by the U.S. Government on Paraguay, excluding it from the Generalized System of Preferences as punishment for violations of labor freedom by the previous regime, was lifted on 4 May 1991. Last year, a labor code bill was sent to Congress as a demonstration of the government's initiative in modernizing labor legislation and adjusting it to the social justice doctrine. [passage omitted]

Honorable Congress, we have not deviated one iota from our promise to democratize the country. The country can testify to this. If we have not disappointed the country in fulfilling this responsibility, we will disappoint it even less in carrying out our moralizing policy. Democracy is incompatible with corruption. The government and the Armed Forces, which are committed to the moral evolution of this process, will not tolerate corruption and will fight against it with firmness. [applause]

This vice, which infects the general structure of our society, will not hinder the transition which has cost us blood and lives. I said that this is a time for tolerance, good sense, and generosity, that this is a time for dialogue and construction, not futile intransigence. Therefore, we are under an obligation to shift from the rigidity of confrontation to the dialectic of consensus, of agreement and coordination on fundamental issues.

Honorable Congressmen, with my sentiments turned to the fatherland, I make a call for national concord. Social justice and democracy, which our people demand as legitimate aspirations, sound a call for harmonious coexistence. In such an indispensable climate, we would surely be in a position to support our words with deeds. In fact, this is no time for mere rhetoric, but for fruitful work so our transition to democracy can reconcile freedom with well-being for all the Paraguayan people. [applause]

Declaring the present legislative period inaugurated, I express my best wishes for your deliberations to be correct and effective and I pray to God to enlighten our efforts so they can translate into accomplishments for the good of the nation. Thank you.

#### Opposition Vote 'Decisive' in Senate Election

PY0204141391 Asuncion HOY in Spanish  
1 Apr 91 pp 10, 11

[Excerpt] Gustavo Diaz de Vivar is the new Senate president, and by definition, Congress president as well. The opposition (PLRA-PRF) [Authentic Radical Liberal Party-Febreista Revolutionary Party] vote was decisive in the election. The opposition supported Diaz de Vivar, Colorado Party Democratic Alliance candidate and caused "Arganist" [Luis Maria Argana] candidate Carlos Romero Pereira Arza to be swept aside. The final count gave 21 votes to Diaz de Vivar and 13 to Carlos Romero

Pereira. The "Autonomous" [Colorado Party Traditionalist Autonomous faction] suffered another beating when their candidate, Carlos Zayas Vallejos, lost the First Vice Presidency to "Alliance" candidate Alcibiades Fernandez. Domingo Laino from the PLRA ran unopposed as second vice president.

The hard-fought electoral battle to elect the Senate president and vice president involved only the Colorado Party block whose members could not agree on a single candidate. Colorado legislators were evenly divided 12 to 12. This situation gave the opposition the chance to break with their traditional stance and support the candidate commanding a majority within his party block, and they voted for "Democratic Alliance" candidate Gustavo Diaz de Vivar. [passage omitted]

#### Minister on Armed Forces Role in Democratization

PY0204140491 Asuncion ABC COLOR in Spanish  
2 Apr 91 p 8

[Text] Defense Minister General Angel Juan Souto Hernandez, retired, has stressed that through their institutional actions the Armed Forces are in every sense fortifying the transition toward democracy, thus fully confirming the reference to the military role in the current process that was expressed by President Andres Rodriguez in his message to Congress.

"We are committed to support this process as our president, General Rodriguez, has clearly said and we consider it to be irreversible," the defense minister after the special ceremony that initiated another congressional period.

During a passage of his address to Congress, the chief of state placed special emphasis on the role of the Armed Forces in the consolidation of democracy in the country.

"We really feel that we are playing a role, because it is up to the Armed Forces to strengthen this process, and this is precisely what we are doing in a clear and evident way," Minister Souto stressed.

The minister stated that the Armed Forces are also cooperating with the government in the fight against corruption, "because corruptions goes against democracy," he concluded.

#### Corps Commander Views Strengthening of Democracy

PY0204160291 Asuncion ABC COLOR in Spanish  
2 Apr 91 p 6

[Text] General Humberto Garcete, commander of the 1st Army Corps, has stated that the Armed Forces will firmly continue to strengthen the process of transition toward democracy "with everything necessary."

He highlighted the fact that the Army will fight corruption, saying that if it is proved that a military officer is

mixed up in corruption the necessary measures will be taken. "Corrupt military men will be sanctioned," he stressed.

"You (journalists) already know that the commander in chief has adopted adequate measures when this type of case has cropped up," he explained. It must be recalled that Generals Otello Carpinelli Yegros and Dario Gonzalez Duarte were fired because they were presumably involved in the trafficking of wild animal hides and drugs.

"Both civilians and military men involved in attacks against the code of conduct will be punished like any one else," the general said.

Finally, he apologized for not answering a question on the internal situation of the Colorado Party.

#### Foreign Minister Departs for Rio Group Meeting

PY0204133491 Asuncion HOY in Spanish  
2 Apr 91 p 20

[Text] The Foreign Ministry has reported that Foreign Minister Alexis Frutos Vaesken travelled today to Bogota, Colombia. He will return on 5 April after participating in a two-day meeting with his colleagues of the Rio Group.

The foreign minister said that, while in Bogota, he and the Southern Cone foreign ministers on 3 and 4 April will prepare a joint position that will be submitted to the Luxembourg meeting with the EEC foreign ministers that will be held on 26 and 27 April.

Frutos said: "We want something positive, something really important for the Rio Group and for Latin America. We will exchange ideas and take a very important proposal with us," stressing the importance of the meeting with his colleagues.

The foreign minister announced that the Rio Group meeting will express its solidarity with Peru. This country, as is already known, is experiencing numerous problems. The Caracas meeting on the Persian Gulf and the oil crisis will be the last item to be reviewed.

Asked what proposal Paraguay will take to the meeting, the minister replied that the foreign ministers will jointly prepare the proposal that will be submitted to the European countries in Luxembourg on 26 and 27 April.

#### Peru

#### U.S. Priest Reportedly Released by Air Force

PY0204173291 Madrid EFE in Spanish 1619 GMT  
2 Apr 91

[Excerpt] Lima, 2 Apr (EFE)—It was reported today in Nazca that the Peruvian Air Force has released David

Ritter, a U.S. citizen who was detained for 20 hours after being arrested together with other persons "suspected of terrorist activities."

The release of the priest occurred after Monsignor Guido Brena Lopez, bishop of the department of Ica, to which Nazca belongs, demanded that the military authorities release Ritter, 37, who is a member of the diocese of the city of Jefferson, New York.

The bishop also protested the raiding of the temple that is run by Ritter. [passage omitted]

#### **Air Force Downs Suspected Colombian Drug Plane**

PY0204212891 Madrid EFE in English 2115 GMT  
2 Apr 91

[Text] Lima, 2 Apr (EFE)—Two Peruvian Air Force planes shot down a private Colombian aircraft Tuesday [2 April] that was suspected of being used for drug trafficking, a Lima radio station reported.

The Peruvian planes downed the Colombian aircraft after its pilot ignored orders to land, the Air Force pilots were quoted as saying in the report by Radioprogramas del Peru. The pilots reported that the private plane crashed into the jungle about 30 km from the village of Campanilla, in the northern Peruvian department of San Martin.

The Peruvian Air Force has orders to intercept planes over the jungle area of San Martin, a notorious cocaine trafficking area, if the planes refuse Air Force orders to land at the nearest airport. Peru is the world's largest producer of coca leaf, which is processed into paste for transportation to Colombia, where it is manufactured into cocaine.

#### **'Unknown Individuals' Murder Two Journalists**

PY0304040291 Madrid EFE in Spanish 0054 GMT  
2 Apr 91

[Text] Lima, 2 Apr (EFE)—According to Lima police today, a group of unknown individuals murdered journalist and Indian leader Jesus Lara Soto. The killing occurred a day after another reporter was killed in similar circumstances.

On 29 March police found Lara dead inside his car on a highway near Lima. According to preliminary reports he had been shot in the head. The police were able to identify Lara on 1 April. The report dismissed robbery as the cause of the killing because the journalist was still carrying money, a valuable watch, and jewelry. His identification cards, however, were missing.

Lara, 54, leader of the Tahuantinsuyo Indian Movement and founder of the South American Indian Council (CISA), was arrested last year by the Counterterrorism Division (Dircote) on suspicion of being part of the subversive group Shining Path. The police released him three weeks later due to a lack of evidence linking him to

the Shining Path, but kept his name on the list of "suspects," said Prospero Orosco, spokesman for the Tahuantinsuyo Indian Movement.

"The crime has all the characteristics of a crazy action, probably carried out by some paramilitary group," Orosco said. The spokesman said that CISA is a member of the UN World Council of Indian Peoples.

According to the newspaper OJO, Lara's death occurred a day after the death of his colleague Arsenio Palacios, who was also shot in the head. Palacios had worked for OJO for 20 years. He was murdered in the early morning hours of 28 March in the Bajo Mirones neighborhood, in western Lima, only five km from the site of Lara's murder, and according to the autopsy, at almost the same hour.

Police have not been able to solve either case yet.

The newspaper LA REPUBLICA published an account of both killings entitled: "Stop the Killing of Journalists." Press associations have also issued communiques protesting the killing of their two members. The press associations have asked Interior Minister Victor Malca to order an in-depth investigation to clarify the crimes.

Political violence in Peru since May 1980 has already cost the lives of nearly 20 journalists, the majority of cases have occurred in zones under a state of emergency.

#### **State of Emergency Extended in Lima, Callao**

PY0204212291 Lima RTP Television Network  
in Spanish 1800 GMT 2 Apr 91

[Text] The government has extended the state of emergency in Lima and Callao for another 60 days. A decree published in the official gazette El PERUANO today states that the measure will take effect tomorrow.

#### **Economy Minister Meets IDB, IMF Officials**

PY0204152891 Lima RTP Television Network  
in Spanish 1100 GMT 2 Apr 91

[Text] Economy Minister Carlos Bolona Behr has discussed several Peruvian economic problems, especially Peru's reinstatement into the world arena, during meetings in Washington with IMF and IDB [Inter-American Development Bank] representatives. Today Bolona will continue the high-level meetings.

#### **Senate, Chamber President Return From Asia**

PY0104171291 Lima RTP Television Network  
in Spanish 1100 GMT 1 Apr 91

[Excerpts] Chamber of Deputies President Victor Paredes and his multiparty delegation have returned from a tour through several Asian countries, where they became closely acquainted with the progress and the technology of those nations which have expressed a desire to invest in our country.

Paredes, heading a multiparty delegation of nine deputies, returned early this morning from his tour through Hong Kong, Thailand, and Singapore, where they became closely acquainted with the development policy of those Asian countries and the possibilities of investment in our country. [passage omitted]

Senate President Maximo San Roman has also returned from abroad. Upon his arrival, he indicated that the Chinese Government wishes to cooperate financially with our country.

San Roman also indicated that he met with UN Secretary General Javier Perez de Cuellar in the United States. On his way back to Peru he met with Brazilian President Fernando Collor de Mello.

The Senate president arrived in Lima at 2300.

**\* Alva Castro Reaffirms Opposition to Fujimori**

91SM0228B Lima EL NACIONAL in Spanish  
23 Feb 91 pp 2-3

[Excerpt] Yesterday [22 February] Aprista Party of Peru Secretary General Luis Alva Castro openly challenged the Alberto Fujimori government, which he accused of orienting its policy toward that of the IMF and of betraying the people whom, he said, Fujimori had tricked into believing that he was the antishock candidate only to turn into the shock president.

He also reaffirmed the opposition policy line that his party has adopted to counter the government actions the current regime has taken during the six months it has been in office.

Alva Castro, who was the main speaker at the celebration of the traditional Aprista Brotherhood Day held in memory of the birthday of the leader and founder of the PAP [Aprista Party of Peru], Victor Raul Haya de la Torre, sharply criticized the current administration.

As far as governing is concerned, he said that the inflation rate is much higher in the Fujimori administration than that recorded during the last six months of the Alan Garcia administration.

In a 35-minute speech to an excited Aprista crowd that filled Avenida Alfonso Ugarte in front of the union local in the Casa del Pueblo, he also said that the present government has already paid out \$100 million for our foreign debt without bringing even a half a dollar into the country in return. He called for the mobilization of the Apristas and of the people of Peru in general to say no to the government's unpopular IMF economic policy.

He also described as undemocratic the Fujimori administration which, he said, has right from the start sought to trample the Constitution underfoot, confronting in succession the Parliament, the municipalities, the judiciary, the regional governments, and the Church. He said that Fujimori has neither a platform nor a national plan of his

own and that he is merely being guided by the technocrats, who have joined the government more out of personal interest than out of patriotism. We forget, he said, that technocrats are cold individuals who come from outside, without any feeling for the society, and to whom the reality of our people's lives means absolutely nothing, our people who are subjected to hunger, poverty, and death.

He also noted that reintegration has been a myth up to now and that it exists only in the IMF mentality of the persons who are managing the country's economy. It is a myth, he reasserted, and he said that not a single dollar would be forthcoming during the next few years because the international organization was only interested in recovering its money and nothing more.

Alva Castro said that we have to remain alert to prevent the administration from continuing to trample the national Constitution underfoot.

Over and over again, he emphasized that the people felt betrayed in their vote for him because they had never voted for a policy that is overtly damaging the stability of labor relations and which has lowered wages to a minimal level through the shock program.

He called on the Apristas to remain united in memory of their founder and leader, Victor Raul Haya de la Torre, whose birthday the party celebrates every 22 February on Brotherhood Day.

Alva Castro's various allusions to what he considered to be the administration's mistakes were greeted with noise makers, cheers, and hurrahs for the party by the crowd.

The old historical Aprista leader, Luis Alberto Sanchez, who also sharply and ironically criticized the present government, spoke before the secretary general did.

Basically, he said that the Fujimori administration has not at all been observing Article 1 of the Constitution, which provides for respect for human beings.

He said that a government like the present one, with its consequences of hunger and poverty, unemployment and illnesses, makes a mockery of Article 1 of the Constitution.

He also indicated that the country was in no mood to be complaisant with the caprices of the government, to which the time had come to say: Enough! [passage omitted]

**\* Public Queried on Security Forces, Terrorists**

91SM0228A Lima EXPRESO in Spanish (Sunday Supplement) 24 Feb 91 p 3

[Excerpts] Insecurity is a feeling that is increasingly taking possession of citizens' minds. And the most serious thing about it is that it is not only criminals and terrorists who take it upon themselves to create fear.

Since Peru is the kingdom of the incredible, the police themselves are also in part responsible for this dangerous situation. [passage omitted]

It is regrettable and dangerous that this is the case, but it is what is really happening. And whoever tries to deny it will have to take into account the gangs of kidnappers

and assailants composed of members of the National Police, the murders committed by drunken workers, the reports of corruption, and armed blackmail.

The results of the latest Apoyo Company poll on citizens' fears conducted in metropolitan Lima is revealing with regard to this situation. [passage omitted]

Which feeling does a policeman arouse in you more: security or fear?

| Responses          | Total | Socioeconomic Level |            |         |              | Political Orientation |        |       |            |
|--------------------|-------|---------------------|------------|---------|--------------|-----------------------|--------|-------|------------|
|                    |       | A [Upper]           | B [Middle] | C [Low] | D [Very Low] | Left                  | Center | Right | Apolitical |
|                    | %     | %                   | %          | %       | %            | %                     | %      | %     | %          |
| Security           | 48    | 29                  | 35         | 47      | 59           | 48                    | 49     | 49    | 48         |
| Fear               | 36    | 54                  | 44         | 33      | 32           | 40                    | 39     | 37    | 34         |
| Did not say/answer | 16    | 17                  | 21         | 20      | 9            | 12                    | 12     | 14    | 18         |
| Total: 100%*       | 612   | 48                  | 109        | 214     | 241          | 80                    | 106    | 135   | 291        |

\* [Numbers are totaled from left to right]

Basis: Total number of interviewees. Lima, February 1991.

Whom do you fear more?

| Responses                                              | Total | Socioeconomic Level |            |         |              | Political Orientation |        |       |            |
|--------------------------------------------------------|-------|---------------------|------------|---------|--------------|-----------------------|--------|-------|------------|
|                                                        |       | A [Upper]           | B [Middle] | C [Low] | D [Very Low] | Left                  | Center | Right | Apolitical |
|                                                        | %     | %                   | %          | %       | %            | %                     | %      | %     | %          |
| A Sendero terrorist                                    | 30    | 31                  | 38         | 26      | 31           | 24                    | 25     | 40    | 30         |
| A common criminal                                      | 18    | 17                  | 17         | 22      | 15           | 21                    | 17     | 16    | 18         |
| An MRTA [Tupac Amaru Revolutionary Movement] terrorist | 17    | 29                  | 13         | 19      | 16           | 12                    | 21     | 24    | 15         |
| A drug trafficker                                      | 15    | 10                  | 15         | 15      | 15           | 21                    | 21     | 9     | 13         |
| A policeman                                            | 6     | 4                   | 6          | 5       | 6            | 11                    | 4      | 1     | 7          |
| A soldier                                              | 2     | 2                   | 1          | 2       | 2            | 2                     | 3      | 4     | 1          |
| None of these                                          | 2     | 0                   | 3          | 1       | 2            | 1                     | 2      | 0     | 3          |
| Did not say/answer                                     | 10    | 7                   | 7          | 10      | 13           | 8                     | 7      | 6     | 13         |
| Total: 100%*                                           | 612   | 48                  | 109        | 214     | 241          | 80                    | 106    | 135   | 291        |

\* [Numbers are totaled from left to right]

Basis: Total number of interviewees. Lima, February 1991

## Venezuela

### Students Clash With Police in Several Cities

PA0304121291 Paris AFP in Spanish 0211 GMT  
3 Apr 91

[Text] Caracas, 2 Feb (AFP)—Student violence broke out today in four Venezuelan cities where the police used sticks, tear gas, and bird shot to curb the demonstrators, the local INNAC news agency has reported.

In addition, the Armed Forces reported that a home-made bomb exploded outside the Merida garrison, 600 km southeast of Caracas. This was where a "peaceful

march" took place on 27 March to protest the shooting deaths of two university students during disturbances that broke out two weeks ago.

INNAC reported clashes between the police and students in Barquisimeto, Maracaibo, San Felipe, and Los Teques, the capital cities of states located in the country's midwest, north, and west. According to the news agency, looting took place, cars were burned, and many persons were injured.

On 20 March, student Ramon Cadenas, 21, bled to death during a police raid on the Los Andes University (ULA) in Trujillo, 400 km southeast of Caracas, which caused great unrest in this town and in neighboring Merida.

The Armed Forces occupied Trujillo on 21 March and local commander Cesar Zumeta reported that Cadenas had wounds in his leg, apparently caused by an "improperly used" saber.

Another ULA student, Magdiel Paez, was killed on 21 March in Merida. A soldier shot him during the disturbances and looting that lasted until the early morning hours.

In an official communique, the Merida military command said that Paez was killed when "unidentified persons tried to attack an Army truck (...) and a soldier was forced to use his regulation weapon to defend his life, as well as the driver's life."

The communique added that the case would not be investigated, but today, General Gonzalo Vargas, commander of Merida's garrison, announced an investigation was opened "to establish who is responsible for the student's death." The decision is meant to avoid new acts of violence in this city and elsewhere in Venezuela, military sources indicated. The homemade bomb that exploded today in midtown Merida shattered the windows of a 7th Infantry Brigade building and the Andino Bank, but "nobody was injured," according to INNAC.

In Barquisimeto, located 300 km west of Caracas, students burned three trucks, and during the "pitched battle" with the police "some 20 persons were wounded with stones or were overcome by the tear gas," INNAC stated.

According to INNAC, the San Felipe campus was "nearly burned with Molotov cocktails" and several stores were damaged. San Felipe is located 200 km west of Caracas.

In Maracaibo, an oil town located 600 km west of Caracas, demonstrators put up barricades and set tires on fire. The police did not intervene, however, and students dispersed late in the afternoon. In Los Teques, 30 km south of Caracas, violence continued for the second consecutive day, with people injured, cars set on fire, and clashes reported between students and the police forces.

#### \* Investment Fund Head on Status of Privatization

9ISM0232A Caracas NUMERO in Spanish  
10 Mar 91 pp 30-32

[Interview with Venezuelan Investment Fund Director Gerver Torres by Alfredo Carquez; place and date not given: "Sales on the March"]

[Text] The pruning continues apace. Two years after the launching of the program of adjustments and after complying with a kind of regulatory hibernation, privatization is gaining speed. With the patience of Job, "privatizer" Gerver Torres proceeds with the task entrusted to him by Miraflores.

The Venezuelan Investment Fund (FIV), the official "shooter," is already winning several rounds, although they have not all met with general approval. One in particular has been the target of great criticism: the sale of the Western Discount Bank (BOD) through the Maracaibo Exchange. In contrast, another has proved just the opposite: the auction of mobile cellular telephone Band A for 5 billion bolivars.

[Carquez] At this point in the process, certain cases have been labeled as failures. It has been pointed out that the government suffered losses as a result of the BOD's privatization because, after selling its shares for 320 bolivars, the price rose to over 2,000! It has also been claimed that the government's strategy of transferring shares to the private sector is not going well, citing the example of the failure to conclude a concrete agreement on private administration of the Metropolitan Water System.

[Torres] The country has implemented major macroeconomic reforms over the past two years. Since mid 1990, we have vigorously tackled structural problems that have proved to be much more difficult and complex. They include reform of the financial system, tax reform, reorganization of public enterprises, and privatization. We have been working on the latter for only a year. In other countries, it takes two or three years just to begin. Margaret Thatcher came to power in England in 1979 and began to privatize in 1983. Results have recently begun to emerge in Mexico, but work began at the beginning of the last decade. It is a process that must proceed at its own pace.

Several cases are moving right along. We are working intensely on Viasa, the hotels, and Astinave [Venezuelan Shipyards, Inc.], in addition to the sugar mills, Cantv [National Telephone Company of Venezuela], and the National Institute of Ports (INP). However, several privatization operations have been completed and are rarely mentioned. New investments in the aluminum sector are private and there are some in the petrochemical area as well. Some programs included in the process to reorganize public enterprises contain aspects of privatization. For example, in Inavi [National Housing Institute], certain activities previously managed within the public sphere, such as real estate, will now be the responsibility of a private operator. Concerning the BOD experiment, I wanted to mention two things. It was said that it was sold through a system enabling the Belloso company to control the majority of the stock. However, another firm, Bancor, recently became the main partner. This belies accusations that the government turned the BOD over to a specific economic group. As far as the price of shares was concerned—they were sold at 320 bolivars and subsequently rose to nearly 3,000—some individuals concluded that the difference between the two figures might be considered a loss suffered by the government. That is totally incorrect. It would not be proper, every time a specific company or share is sold, to consider the subsequent new value as a loss. If one takes the value of certain shares of major

banks at the time the BOD shares were sold and compares them with the current price, one will observe that there was a significant rise in all of them. In other words, it is not a specific phenomenon related to the privatization process. Rather, it has to do with the free play of supply, where one runs the risk that after selling an asset, its value may rise or fall. We naturally never want prices to go down, among other reasons, because we always try to encourage small- and medium-size investors to participate in operations. It is natural for government-owned enterprises, after being sold to the private sector, to increase in value. As far as negotiations with Caracas Electricity are concerned, the truth is that they have not been finalized. This is a case that demonstrates how complex the privatization process is because it is not enough for the government to be determined in order for it to succeed. In this case, justifiably or not, the problems came from the buyer.

[Carquez] What is happening in the national private sector? Are you not convinced of the suitability of the process? Does the FIV anticipate a better response from foreign investors? Or does the country not have sufficient economic capacity to make privatization successful?

[Torres] I am sometimes concerned about the national private sector's ability to respond to opportunities that are opening before it. Something similar has occurred in other countries. In times of fairly serious crises, national private capital tends to adapt less vigorously than does international capital, which has greater experience and knowledge of what is happening in the world. However, a distinction must be made. In many cases, it is possible for foreign investment to act more decisively. In others, and as the process gains speed, I think that national private capital itself will be gradually integrated. Furthermore, in certain sectors, it would be ideal to have a partnership of national and foreign capital, so that not only will there be contributions of economic resources, but also knowledge of markets, technology, and management, all elements in which, at any given moment, national capital may be lacking.

[Carquez] Some claim that the country does not have adequate resources to buy Viasa. If the sale should take place, can the country keep the routes and simply sell off the stock?

[Torres] It would not make sense for the government to keep the routes. Even though they constitute tangible assets, they are the most valuable thing the airline has. I do think the country has enough national capital. To the extent that the economy generates confidence, there will be more national capital willing to participate.

[Carquez] How can one believe a government that has a tremendous budget mess on its hands when even in Chile, the champion of regional privatization, international agencies say losses total over \$2 billion?

[Torres] Privatization is part of the economic reforms. I think we have gradually given signs that this is a government strategy, a government policy, a process that is going to take place. I would in fact bet that the number of Venezuelans who believe in privatization is now much larger than it was in the past. Many could not even imagine how we could embark upon the process of privatizing Cantv. Some still doubt whether we are going to sell Viasa and we are already in the process of organizing that bidding. Nor did they think we were ready to allow the operation of the Caracas Metropolitan Water System by private investors. We have gradually gained credibility in terms of making it clear that the government is determined. We do naturally face numerous problems and risks, difficulties that have occurred everywhere in the world. That will be the battle we must wage. The process must be very transparent so that at the end of every phase, Venezuelans will have the overwhelming impression that things were done correctly. I think we shall succeed.

[Carquez] It may be that people in general are convinced that privatization is moving forward, but there are groups with considerable influence in political life that are demonstrating growing opposition. That adverse sentiment is even stronger within the party in power.

[Torres] Political support for privatization has grown. This does not mean that voices are not raised to challenge it. However, I think that if we view the process in terms of the past year, there are far more political leaders and even trade union sectors in favor of it. To the extent that we succeed with specific cases, that attitude will grow.

[Carquez] However, the government has entered a phase in which economic decisions generally respond to what may happen in the political sphere.

[Torres] I think that any economic process is obviously influenced by the political process one is going through, and privatization is highly political. In our case, inasmuch as approval is growing, I do not think that the political processes which lie ahead will significantly alter the privatization schedule. I do not foresee radical changes.

[Carquez] Through the sale of government enterprises, can the FIV supply the resources to try to reduce the existing fiscal deficit?

[Torres] The line we have followed is that privatization cannot be viewed as a means of reducing the fiscal deficit. It will naturally help alleviate problems in the public sector in medium- and long-range terms, insofar as companies with a deficit and no longer owned by the government will not force it into big outlays. There are two ways to view privatization with respect to the fiscal deficit. One is structural appreciation and, in the long run, that is obviously what we plan. The other is one we cannot assume: liquidating assets for the purpose of resolving a circumstantial fiscal debt. Moreover, the

debate is not yet settled concerning the fate of funds from the sale of government assets.

[Carquez] This year, will privatization have a significant economic effect on the government's budget?

[Torres] At least the impact this year will not be major. It will be more of a social and political effect, more one of ordering the government's organization process. Effects will begin to be seen in medium- and long-range terms, not in five years, but within a shorter period of time. In the case of Cantv, we might even see such effects within the year. However, not even the results of efficiency will be immediately apparent.

[Carquez] Was the estimate in this year's national budget (44 billion bolivars) not high?

[Torres] It is a figure that is still valid as a working hypothesis. We have never been in favor of speculating too much with figures and revenue from privatization because they lend themselves to various interpretations. Sometimes it is not appropriate to give figures, but the hypothesis in question continues to be valid.

### Guyana

#### Remaining Opposition Delegates Resign in Protest

FL0304000591 Bridgetown CANA in English  
2048 GMT 2 Apr 91

[Text] Georgetown, Guyana, April 2, CANA—The two remaining parliamentary opposition parties made good on their threat when they officially resigned from Guyana's National Assembly Tuesday morning.

The United Force and the People's Progressive Party [PPP] announced their resignation to protest the government's extension of parliamentary life for a second two-month period. The first extension was sought on January 14 in a sitting in the Assembly. Government parliamentarians voted for the first extension which staved off the Constitutional dissolution of the Assembly on February 2 to April 2. The government also postponed general elections from its May 2 deadline for an indefinite period.

The representative of the Working People's Alliance, Eusi Kwayana, resigned since February 3 in protest of the first extension, but the United Force and the PPP

indicated that they would withdraw in a phased manner, participating only when electoral issues were on the Assembly agenda.

Both parties also said, however, that they too would resign if the government made attempts to seek a second two-month extension. The government gained a second extension last month, thus triggering the resignations. The government sought the second extension on the grounds that the appointment of opposition party scrutineers was slowing down the registration process. Several Amerindian communities in far-flung areas of Guyana's vast hinterland were also creating transportation headaches for official enumerators, the government said.

A complete registration process, the government said, would take at least six months because of the terrain here. The registration exercise now underway is being done to compile a new and clean voters' list after opposition parties complained that the old one was riddled with phantom voters.

#### No Problems Reported From New Tariff Structure

FL0104132591 Bridgetown CANA in English  
1540 GMT 31 Mar 91

[Text] Georgetown, Guyana, March 31, CANA—Guyana's implementation of the Common External Tariff (CET) on goods imported from outside the Caribbean Community [Caricom—Caribbean Common Market] has been fairly smooth, with no major problems being encountered, according to the customs department.

Customs Chief Clarence Chue, said that the only problems encountered since the introduction of the CET in the first week of March are "basic teething problems normally associated with the implementation of new systems."

The introduction of the tariff structure should play a part in the establishment of a single common market among the 13 Caricom states by 1994, Chue said. He stated that any indications of problems would come from manufacturers and so far there has been no complaints from them.

However, there has been a number of queries basically related to the interpretation of the new rules. Prior to the introduction of the new structure, there were several rates of duties. These have now been broken down and the structure simplified, with rates now ranging from 5 to 45 per cent. The CET stipulates special rates on goods produced in Caricom territories.